Nation's Restaurant News
THE NEWSWEEKLY OF THE FOODSERVICE INDUSTRY®

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Economy stunts Top 100 growth

Recession, discounting takes toll, with few chains enjoying double-digit gains

by Richard Martin

Squeezed by nervous consumers and thwarted by the sluggish economy, many of the industry's 100 highest-grossing chains will end the year with their growth rates compressed and their market shares nibbled by "value" specialists, according to the 1991 Nation Restaurant News Top 100 report.

Only an elite contingent of the 100 chains and 100 companies ranked in the study are expected to attain double-digit annual gains in any of its key measurements of domestic sales and expansion momentum.

Propelled by price slashing, discount dealing, new-unit openings and "more-for-your-money" market positioning, such varied contenders as the Subway sandwich chain, Cracker Barrel family restaurants, Little Caesars Pizza, and the Olive Garden and Chili's casual-theme dining concepts emerged from reams of Top 100 data as growth leaders.

The annual study by the editors of Nation's Restaurant News found that advances by leading chains in the pizza and dinner-house fields enabled those segments to retain roles as sales-growth pacesetters, although the maturing pizza pack has cooled significantly from its torrid pace last year as the group's price-value image faces harsher scrutiny by consumers.

Despite slumps in travel and tourism, the projected results of the struggling — yet innovative — hotel foodservice outfits in the Top 100 gave them third place in the sales-growth-by-segment derby.

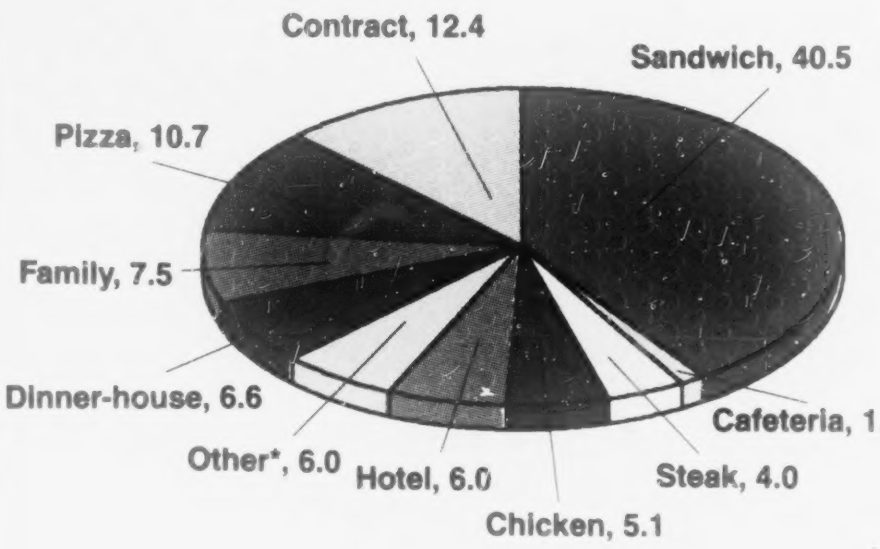
But burger chains in the 17-entry sandwich segment continued their slippage, with McDonald's, Burger King and Wendy's again losing shares of that Top 100 category's sales pie — principally to Subway and the feared trendsetter of the value wars, Taco Bell.

NRN's Top 100 report, which ranks the highest-grossing chains and companies by a variety of criteria, clearly shows the nation's economic malaise suppressing the collective performance of those dominant outfits despite their multiunit efficiencies and marketing muscle. Although current-year aggregate sales for the industry's 100 top chains are projected to hit $92.55 bil-

(See *TOP 100*, page 170)

Top 100 market share by segment

(of projected $92.6 billion aggregate sales total for 1991; in percentages)



Source: NRN Research * Includes snack, fish, in-store, C-store and theme-park chains

Value war still raging in sandwich segment

by Milford Prewitt

The industry's largest sandwich chains are leaving no stone unturned in their thrust to recover the vigor that made their segment the industry's growth engine for most of the last 30 years.

Although the sandwich category accounts for more than 40 percent of each dollar in the $92.5-billion total projected systemwide sales of NRN's Top 100 in 1991, the segment's biggest players have nevertheless been wounded by consumers who have changed their eating habits. Other major hurdles include saturated markets, negative consumer perceptions about the healthfulness of fast fare and a wallet-thinning recession whose demise may have been prematurely predicted.

But perhaps the biggest challenge sandwich chains face is the relentless discounting war, whose end is not in sight.

Carolyn Levy, a Shearson Lehman restaurant analyst, says that, because of the price war, many operators are in the same paradoxical situation that confronted Alice in Wonderland, running full steam "just to remain in the same place."

"It's no question that discounting will continue," Levy remarks. "McDonald's has to do it because everyone else is doing it. What's happening today is that everyone is running just as hard, and they are in the same place as they were before."

Taco Bell, widely blamed for starting the discount war nearly two years ago with its 59-cent menu items — now priced as low as 39 cents — expects to continue its offensive.

John Martin, president of Taco Bell, said he recently told a gathering of analysts some-

(See *VALUE*, page 84)

TACO BELL
3845
ORIGI DAY
TACOS
ORIGINAL EVERDAY

A Taco Bell unit. Taco Bell's discounting strategies have helped boost the chain up in the Top 100 rankings to No. 7.

Hotel chains mount cost-cutting assault against traffic slump

by Peter Romeo

After suffering a dramatic decline in traffic during the first half of 1991, the foodservice departments of many leading lodging chains are trying to temper the damage by boldly cutting costs.

Few areas of operation have been overlooked in the hotel giants' quest to rein in food, labor and administrative outlays.

Menus have been rewritten to incorporate less expensive foods. Purchasing strategies have been revised to permit more bargain hunting.

Payrolls have been combed to eliminate unnecessary positions. And marketing budgets have been slashed, sometimes to nil.

"Operators are looking for every cost-cutting thing they can do," explains Robert Patterson, director of hospitality consulting for the Western division of the Coopers & Lybrand accounting firm. "They're taking some deep gulps, trying to get through a very difficult time."

Already suffering from a glut of hotel rooms, the lodging industry slipped further into a sales slump when the recession slammed the brakes on domestic travel last fall. Room bookings plummeted, shrinking hotel restaurants' primary source of patrons.

The Gulf War aggravated the problem by scaring away visitors from Europe, including large convention groups.

"I don't remember a tougher time in the lodging industry," Patterson explains. "Hotel revenues were down about 10 percent, and food and beverage revenues were probably down proportionately."

"Traffic is down; profits are down; by every measure, things are down," observes Don Clawson, vice president of food and beverage for Radisson Hotels.

"It's not just because of the war and the recession," says Bill Hulbert, vice president of hotel

(See *HOTELS*, page 112)

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NEWS BRIEFS

Copeland offers to swap chains for $35 million

SAN ANTONIO — Al Copeland has offered to relinquish his rights to the Popeyes and Church's fried-chicken chains in exchange for $35 million.

Copeland and his associates also would be released from all further obligations stemming from the chains' financial difficulties.

The proposals were included in a Chapter 11 reorganization plan that was filed with a bankruptcy court here by Al Copeland Enterprises, Popeyes and Church's franchisor. Copeland sought protection from creditors after defaulting on loans.

The plan also called for a long-term supply agreement between Copeland Enterprises and Diversified Foods & Seasonings, a spice supplier controlled by Copeland.

In addition, the proposals said that all creditors would be paid in full. Holders of Copeland Enterprises' preferred shares would be compensated 50 cents per issue, the plan specified.

The reorganization has yet to be approved by the court and Copeland's lenders, which include Merrill Lynch.

Copeland has been struggling to repay a huge debt stemming from his purchase of Church's in March 1989.

EEOC sides with employers on two points of ADA rules

WASHINGTON — The Bush administration has granted employers two concessions in the final version of sweeping new rules governing the employment of disabled persons.

Regulations recently issued by the Equal Employment Opportunity Commission are intended to stomp out discrimination against physically or mentally impaired job candidates and employees. However, the rules give employers the right to deny employment to a handicapped person whose disability could jeopardize his or her safety at the job site.

Preliminary versions of the regulations did not extend that right to employers. The business community had protested, citing the possibility of having to give a job to someone who could hurt himself in the execution of his duties.

In addition, EEOC regulators rebuffed disabled persons' recommendations that employers be required to provide on-the-job attendants for severely impaired employees. Advocates for the handicapped argued that many handicapped people could not work without employer-provided aides to help them eat or use the bathroom.

The EEOC decided not to write that requirement into the regulations, noting the objections of the business community. However, EEOC chairman Evan Kemp commented that some large businesses could be expected to hire an attendant under other aspects of the rules.

The regulations, which are part of the landmark Americans with Disabilities Act, take effect next July.

Arby's, Sbarro, Vie de France join forces in new unit

CHICAGO — Arby's, Sbarro and Vie de France have teamed up to open their first three-in-one restaurant with shared entrances, signage and dining areas.

The three chains decided to join together rather than fight each other for prime sites in downtown Chicago. "Together, we are much stronger in competing with the competitors that are all around us," said Mario Sbarro, president and chief executive.

Sbarro noted that the shared space allows all three chains to complement each other with menu items that have successful track records, and that it could cut down on the need to regularly test and add new products.

Sbarro's signature menu item is pizza, while Arby's specializes in sandwiches and Vie de France features baked goods.

CIA chooses site in California for second campus

HYDE PARK, N.Y. — The Culinary Institute of America, the renowned culinary school here, has chosen California's wine country as the site of its first satellite campus, CIA president Ferdinand Metz said.

Metz noted that the new California facility will house a continuing education and professional development center, where studies will focus heavily on the dynamics between food and wine. The region's abundance of produce, which is available year round, will also shape the curriculum, he indicated.

"If you're a leader in your field — and we consider ourselves a leader — you have to constantly search for ways to increase your influence," Metz said of the reason behind the CIA's push into California. He added that the California center would play a role in the culinary bachelor's of art program being developed by the school.

Metz said CIA officials have contacted chefs, restaurateurs and wine makers in the Napa, Sonoma and Carneros regions north of San Francisco in an effort to develop a "big pool of potential sites." Asked when the new CIA facility might open, he replied, "As soon as possible."

Police hunt staffer suspected of theft at Canteen facility

OAKLAND, Calif. — Police and FBI agents are searching for a Volume Services employee following the theft of at least $700,000 in foodservice concessions receipts from a safe at the Oakland Coliseum.

Thomas E. Hagins, 29, a concessions manager for the Canteen Corp. division, is suspected of taking six bags of money following a four-day series between the Oakland Athletics and the New York Yankees attended by 162,000 people. Police Sgt. William Gillespie said Hagins was named in arrest warrants charging felony burglary, grand theft, interstate transportation of stolen property and flight to avoid prosecution.

Gillespie said the theft was discovered when an armored car arrived to pick up the money.

Hagins was spotted in Phoenix about a week after the theft and is known to have wired $2,000 to his mother in Ohio.

Keogh named ACF president

HONOLULU — Keith Keogh, executive chef of Walt Disney World EPCOT Center in Florida and captain of the U.S. Culinary Olympics team, was named American Culinary Federation president at the ACF's national convention here.

Keogh takes office in October, succeeding Jack Braun, who is owner-executive chef of Chesterfields Restaurant in North Huntington, Pa., and served two two-year terms. Before running for the presidency, Keogh was vice president of the ACF's Southeast region.

The ACF presidency is determined by an election in which chapters are allotted a number of votes based on the number of paid members.

Founded in 1929 to further the education and professional stature of chefs in America, St. Augustine, Fla.-based ACF claims 18,000 members.

Fast-food chain becomes licensee of Italian concept

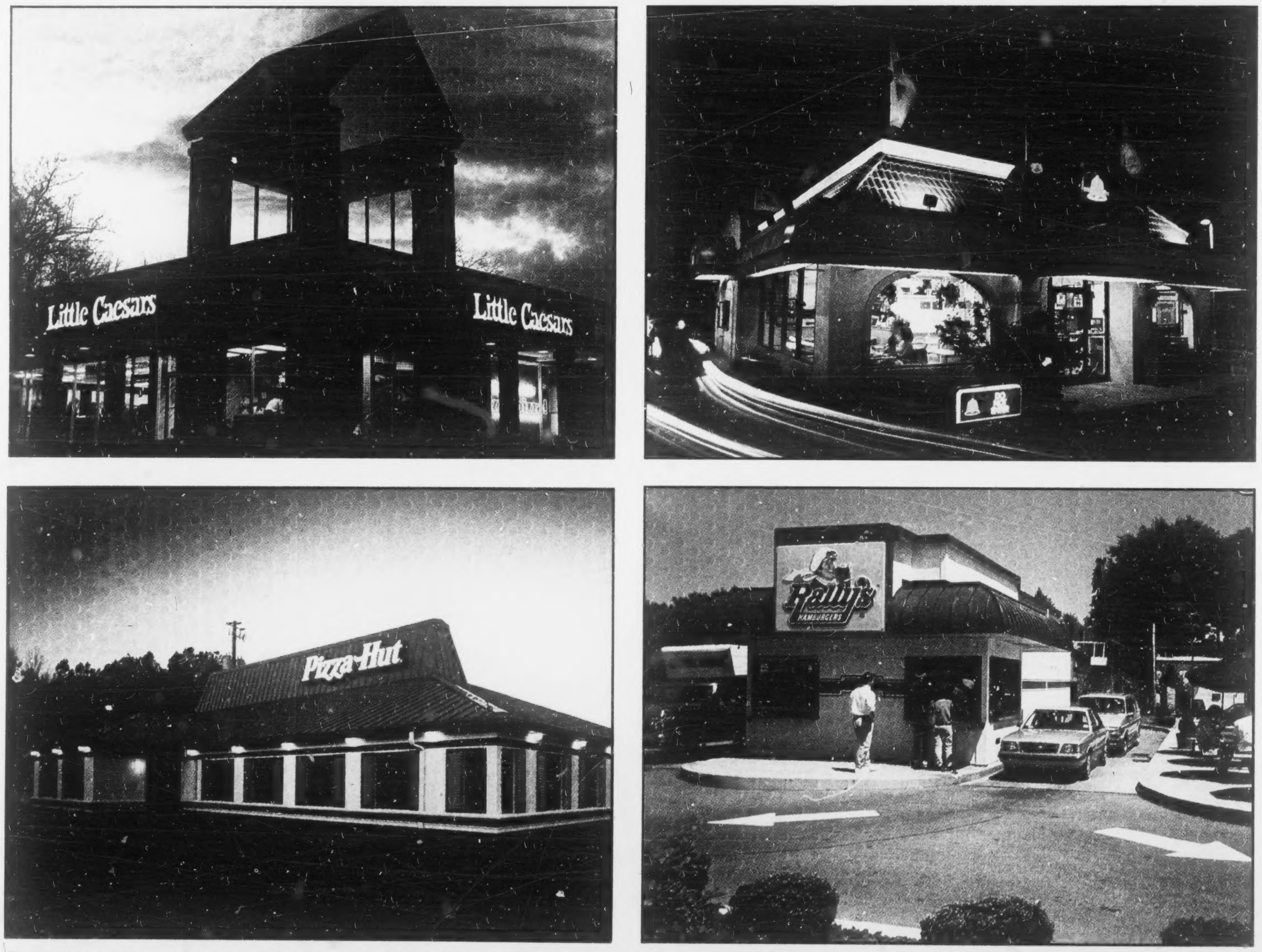
CLEVELAND — Following a host of fast-food chains that have diversified into the full-service segment, the franchisor of Sisters Chicken has become a franchisee of the fast-growing Italian Oven dinner-house chain.

Wyman Corp., which purchased the 40-unit fried-chicken chain from the bankrupt Sis Corp. for $3 million, has inked an agreement with Italian Oven franchisor Fornello USA. The pact gives the company, headed by president and chief executive Bob Wyman, the rights to develop and operate 22 Italian Ovens in 10 counties from Cleveland to Toledo during the next six years.

"The fast-food business is brutal right now," Wyman declared. "For a few dollars more you can eat off dishes, have people wait on you and relax. The two [Italian Oven and Sisters] are not that far apart price wise."

The seven-unit Italian Oven chain features specialty pizzas baked in exhibition-style wood-fired brick ovens, 23 pasta dishes priced around $5, strombolis and calzones, salads, appetizers and Italian sandwiches. Average checks range between $6 and $7, and units average $1.2 million per year.

NRN'S TOP 100



Top 100 chains, clockwise from top left: Little Caesars Pizza (No. 12); Taco Bell (No. 7); Rally's (No. 98); and Pizza Hut (No. 3).

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TOP 100 CHAINS RANKED BY U.S. SYSTEMWIDE FOODSERVICE SALES

1991 Rank	1990 Rank	Chain	Concept	Parent Company	Fiscal Year Ends	U.S. Systemwide Foodservice Sales (By Fiscal Year, in Millions)		
						Current**	Last Full	Prior
1	1	McDonald's	Sandwich	McDonald's Corp.*	Dec. '91	$12,735.0	$12,251.0	$12,012.0
2	2	Burger King	Sandwich	Grand Metropolitan PLC	Sept. '91	6,250.0	6,100.0	5,700.0
3	4	Pizza Hut	Pizza	PepsiCo Inc.*	Dec. '91	4,500.0	4,000.0	3,200.0
4	3	Hardee's [1]	Sandwich	Imasco Ltd.	Dec. '91	4,346.0	4,101.0	3,362.0
5	5	KFC	Chicken	PepsiCo Inc.*	Dec. '91	3,450.0	3,200.0	3,000.0
6	6	Wendy's	Sandwich	Wendy's International Inc.*	Dec. '91	2,891.0	2,762.0	2,793.0
7	8	Taco Bell	Sandwich	PepsiCo Inc.*	Dec. '91	2,780.0	2,461.0	2,134.0
8	7	Domino's Pizza	Pizza	Domino's Pizza Inc.	Dec. '91	2,585.0	2,486.0	2,354.0
9	9	Marriott Management Services	Contract	Marriott Corp.*	Dec. '91	2,410.0	2,340.0	2,120.0
10	10	Dairy Queen	Sandwich	American Dairy Queen Corp.	Nov. '91	2,010.6	1,980.0	1,938.0
11	11	ARA Services/ARASERVE	Contract	ARA Services Inc.	Sept. '91	1,752.4	1,680.8	1,577.0
12	14	Little Caesars Pizza	Pizza	Little Caesar Enterprises Inc.	Dec. '91	1,700.0	1,375.0	1,130.0
13	13	Red Lobster	Dinner House	General Mills Inc.*	May '92	1,520.0	1,400.0	1,340.0
14	12	Denny's	Family	TW Holdings Inc.*	Dec. '91	1,485.9	1,480.2	1,346.9
15	20	Subway	Sandwich	Doctor's Associates Inc.	Dec. '91	1,421.0	1,066.2	777.2
16	16	Arby's	Sandwich	Chesapeake Financial	Dec. '91	1,346.0	1,301.0	1,219.0
17	17	Marriott Hotels & Resorts [2]	Hotel	Marriott Corp.*	Dec. '91	1,286.0	1,216.0	1,106.0
18	15	Canteen Corp.	Contract	TW Holdings Inc.*	Dec. '91	1,220.0	1,370.0	1,400.0
19	19	Big Boy	Family	Elias Bros. Restaurants Inc.	Dec. '91	1,141.5	1,087.9	1,030.0
20	21	Sheraton Hotels	Hotel	ITT Corp.*	Dec. '91	1,132.0	1,046.0	903.7
21	22	Shoney's	Family	Shoney's Inc.*	Oct. '91	1,120.0	991.3	862.4
22	18	Service America	Contract	Servam Inc.	Mar. '92	1,100.0	1,100.0	1,060.0
23	24	Hilton Hotels	Hotel	Hilton Hotels Corp.*	Dec. '91	1,020.7	940.7	841.2
24	23	Jack in the Box	Sandwich	Foodmaker Inc.	Sept. '91	1,020.0	943.2	834.0
25	26	Dunkin' Donuts [3]	Snack	Allied-Lyons PLC	Feb. '92	984.7	912.2	711.6
26	25	7-Eleven	C-store	Southland Corp.	Dec. '91	930.0	930.0	920.8
27	27	Sizzler	Steak	Sizzler Restaurants International Inc.*	Apr. '92	920.8	893.0	861.0
28	28	Long John Silver's	Fish	Long John Silver's Holdings, Inc.	June '92	807.9	790.6	773.3
29	29	Ponderosa	Steak	Metromedia Co.	Feb. '92	771.1	736.3	694.2
30	32	Olive Garden	Dinner House	General Mills Inc.*	May '92	757.0	613.0	450.0
31	30	Host International	Contract	Marriott Corp.*	Dec. '91	667.0	642.0	610.0
32	31	Marriott In-Flite	Contract	Caterair International	Dec. '91	609.0	641.0	557.0
33	33	Disney theme parks and hotels [4]	Theme park	Walt Disney Co.*	Sept. '91	605.4	574.9	495.6
34	34	Carl's Jr.	Sandwich	Carl Karcher Enterprises Inc.*	Jan. '92	602.1	574.4	549.3
35	35	Holiday Inns [5]	Hotel	Bass PLC	Dec. '91	595.1	573.9	547.4
36	40	Chili's Grill & Bar	Dinner House	Brinker International	June '92	580.0	491.0	410.0
37	36	Morrison Custom Management	Contract	Morrison Inc.*	May '92	579.0	541.0	531.0
38	38	Popeye's Chicken	Chicken	Al Copeland Enterprises	Oct. '91	536.0	520.0	510.0
39	41	Baskin-Robbins	Snack	Allied-Lyons PLC	Feb. '92	534.5	483.1	521.0
40	44	T.G.I. Friday's	Dinner House	Carlson Cos.	Dec. '91	525.0	471.0	419.4
41	43	Perkins Family Restaurants	Family	Tennessee Restaurant Co.	Dec. '91	508.7	471.0	423.0
42	48	Sonic Drive-In	Sandwich	Sonic Corp.	Nov. '91	507.1	454.5	390.1
43	37	Friendly's Restaurants	Family	Tennessee Restaurant Co.	Dec. '91	503.8	525.5	558.8
44	47	Chi-Chi's	Dinner House	Foodmaker Inc.	Sept. '91	480.0	458.7	430.5
45	46	Bennigan's	Dinner House	S&A Restaurant Corp.	June '92	472.1	459.2	471.0
46	49	Sky Chefs	Contract	Onex Corp.	Dec. '91	458.0	440.0	394.0
47	50	Golden Corral	Steak	Investors Management Corp.	Dec. '91	454.7	438.6	464.8
48	42	Bonanza	Steak	Metromedia Co.	Feb. '92	451.3	471.8	479.4
49	45	Church's Fried Chicken	Chicken	Al Copeland Enterprises	Oct. '91	439.0	461.0	466.0
50	52	Captain D's Seafood	Seafood	Shoney's Inc.*	Oct. '91	430.0	413.5	392.5

*Denotes publicly held company
**Projected
Source: NRN Research

EXPLANATION OF COLUMN HEADINGS

1991 Rank: The Top 100 chains are ranked, in descending order of size, on the basis of projected systemwide foodservice sales in the U.S. for the current fiscal year. Systemwide sales comprise the combined intake from all franchised and company-owned restaurants, hotels or contract accounts in a system.

1990 Rank: The same 100 chains are ranked on the basis of systemwide sales in their last full fiscal year, as revised from projections published in the 1990 Top 100 report. Chains not assigned a 1990 ranking did not generate sufficient sales in their last full fiscal year to rank among the Top 100 in that year.

Chain: The name of the restaurants, hotels or contract-foodservice operations in a chain, as identified by its signs and logotypes.

Concept: The type of restaurant operated by the chain, as defined generically by the type of food served or a style of service.

Parent company: The business entity that owns a chain's trademarks, licensing rights and copyright. The term is often synonymous with franchisor.

Fiscal year ends: The ending date of the year represented in the "current" year column.

U.S. Systemwide Foodservice Sales: Foodservice sales at all U.S.-based restaurants, hotels or contract locations in a chain, including company-owned and franchised outlets. Sales from manufacturing, distribution and merchandise are excluded, except as footnoted. Figures represent three consecutive years, i.e., "current," "last full" and prior." Amounts for hotels, contractors and in-store feeders exclude all nonfoodservice retail sales, such as income from rooms, souvenirs and general retail.

Source: Data were gathered by the editorial staff of Nation's Restaurant News from chains, companies, franchisees, corporate reports, government documents, financial analysts and other reliable sources. Year-to-date trends and historic information were used to project or estimate current-year sales.

TOP 100 CHAINS RANKED BY U.S. SYSTEMWIDE FOODSERVICE SALES

1991 Rank	1990 Rank	Chain	Concept	Parent Company	Fiscal Year Ends	U.S. Systemwide Foodservice Sales (By Fiscal Year, in Millions)		
						Current*	Last Full	Prior
51	55	Hyatt Hotels	Hotel	Hyatt Hotels Corp.	Jan. '92	407.8	381.9	350.5
52	54	International House of Pancakes	Family	IHOP Corp.	Dec. '91	404.4	385.1	356.6
53	53	Seiler Corp.	Contract	Sodexho Corp.	Aug. '91	403.5	390.0	350.0
54	51	Western Sizzlin'	Steak	Intermark/Triton Group	Dec. '91	402.5	422.8	472.1
55	57	Radisson Hotels	Hotel	Carlson Cos.	Dec. '91	400.0	350.0	278.0
56	60	Ramada Inn	Hotel	Hospitality Franchise System	Dec. '91	381.9	335.1	328.2
57	56	Bob Evans Farms	Family	Bob Evans Farms Inc.*	Apr. '92	380.5	358.2	322.3
58	59	Ryan's Family Steak House	Steak	Ryan's Family Steak Houses Inc.*	Dec. '91	380.0	343.0	295.0
59	62	K mart	In-store	K mart Corp.*	Jan. '92	370.0	327.0	316.0
60	71	Chick-fil-A	Chicken	Chick-fil-A Inc.	Dec. '91	334.0	293.7	263.8
61	65	Luby's Cafeteria	Cafeteria	Luby's Cafeterias Inc.*	Aug. '91	330.0	311.0	283.3
62	61	Circle K	C-store	Circle K Corp.	Oct. '92	328.0	327.2	325.1
63	64	Morrison's	Cafeteria	Morrison Inc.*	May '92	326.9	311.3	312.3
64	67	Whataburger	Sandwich	Whataburger Inc.	Dec. '91	318.4	309.6	300.1
65	58	TCBY	Snack	TCBY Enterprises Inc.*	Nov. '91	318.0	344.3	295.4
66	68	Dobbs International	Contract	The Dial Corp.	Dec. '91	317.5	301.0	277.0
67	66	Round Table Pizza	Pizza	Round Table Franchise Corp.	June '92	317.0	311.0	295.0
68	73	Show Biz/Chuck E. Cheese's[6]	Pizza	Show Biz Pizza Time Inc.	Dec. '91	316.0	289.0	270.1
69	70	White Castle	Sandwich	White Castle System Inc.	Dec. '91	308.0	297.0	282.0
70	69	Piccadilly	Cafeteria	Piccadilly Cafeterias Inc.*	June '92	305.0	300.0	307.0
71	72	Westin Hotels	Hotel	Aoki Corp.	Dec. '91	304.8	291.4	285.6
72	90	Cracker Barrel[7]	Family	Cracker Barrel Old Country Store Inc.*	Aug. '91	295.0	225.5	169.5
73	74	Ground Round	Dinner House	Ground Round Restaurants Inc.	Dec. '91	294.2	283.1	266.9
74	88	Applebee's Neighborhood Grill & Bar	Dinner House	Applebee's Neighborhood Grill & Bar*	Dec. '91	289.3	228.2	147.7
75	75	Quincy's	Steak	TW Holdings Inc.*	Dec. '91	289.0	281.5	263.3
76	79	Sbarro, The Italian Eatery	Pizza	Sbarro Inc.*	Dec. '91	288.5	250.0	197.0
77	63	Rax	Sandwich	Rax Restaurants Inc.*	July '91	288.0	319.2	334.5
78	80	Bakers Square	Family	Vicorp Inc.	Oct. '91	282.0	249.0	216.8
79	76	Waffle House	Family	Waffle House Inc.	June '92	277.5	274.0	270.5
80	84	ServiceMaster Food Management Services	Contract	ServiceMaster L.P.	Dec. '91	270.0	239.0	228.0
81	78	Del Taco[8]	Sandwich	Del Taco Inc.	Dec. '91	267.2	255.0	247.1
82	77	El Torito	Dinner House	Restaurant Enterprises Group Inc.	Dec. '91	263.6	258.4	244.6
83	81	Marie Callender's	Family	Wilshire Restaurant Group	Dec. '91	258.8	246.5	225.1
84	82	Ogden Allied Entertainment Services	Contract	Ogden Corp.*	Dec. '91	250.0	244.5	224.0
85	86	Restaura	Contract	The Dial Corp.	Dec. '91	249.0	230.0	253.0
86	83	Village Inn	Family	Vicorp Inc.	Oct. '91	246.0	240.5	234.6
87	89	Sportservice	Contract	Delaware North Cos.	Dec. '91	244.1	226.7	209.0
88	100	The Wood Co.	Contract	The Albert Abela Corp.	Dec. '91	237.0	198.3	172.7
89	87	Godfather's Pizza	Pizza	Godfather's Pizza Inc.	May '92	236.0	229.0	236.0
90	92	Dobbs Houses	Contract	The Dial Corp.	Dec. '91	231.0	220.0	197.0
91	91	Stuart Anderson's Black Angus	Dinner House	American Restaurant Group	Dec. '91	230.4	221.4	216.0
92	—	Gardner Merchant Food Services[9]	Contract	Gardner Merchant Ltd.	Jan. '92	230.0	178.0	124.0
93	93	Steak and Ale	Dinner House	S&A Restaurant Corp.	June '92	225.5	216.8	222.4
94	85	Furr's Cafeterias	Cafeteria	Furr's/Bishop's Cafeterias L.P.*	Dec. '91	225.0	230.0	231.3
95	96	Ruby Tuesday	Dinner House	Morrison Inc.*	May '92	225.0	208.0	189.0
96	98	Six Flags amusement parks[10]	Theme park	Six Flags Corp.	Dec. '91	221.7	201.7	196.9
97	94	Concession Air	Contract	Delaware North Cos.	Dec. '91	218.4	212.0	195.3
98	—	Rally's[11]	Sandwich	Rally's Inc.*	Dec. '91	215.6	177.2	132.6
99	99	Krystal	Sandwich	The Krystal Co.	Dec. '91	210.0	201.0	193.0
100	—	Tony Roma's - A Place for Ribs	Dinner House	Roma Corp.	Feb. '92	209.9	198.2	180.5
		TOTAL:				$92,554.3	$87,382.8	$80,855.8

*Denotes Publicly Held Company
**Projected
Source: NRN Research

FOOTNOTES

[1] Sales and unit data in Top 100 reflect growth of Hardee's system through its ongoing conversion of units in the Roy Rogers chain, which Hardee's Food Systems acquired in April 1990. Approximately 450 conversions were completed by mid-1991; the remaining 200 Roy Rogers expected to be converted by 1993.

[2] Includes results of Courtyard by Marriott hotels.

[3] Last full year comprised a 14-month reporting period (fiscal year end was changed from October to February).

[4] Disney Co. data in Top 100 reflect results of four theme parks and nine hotels, a total of 13 units. Sales-per-unit data (in separate table) are skewed because each theme park, comprising a multiplicity of dissimilar food outlets, is treated as a single unit.

[5] Holiday Inns' headquarters has been moved to Atlanta from Memphis, Tenn.

[6] Sales amounts inadvertently include revenues from games and merchandise (approximately 24.2 percent of annual totals); exclusion of nonfoodservice income would reduce chain's current-year figures to $239.5 million and lower its 1991 ranking to No. 87 (1990 sales would be $219.0 million and rank would be No. 92). All data for the chain reflect aggregate figures for the ShowBiz and Chuck E. Cheese's systems, whose menus and operating formats are identical. (ShowBiz Pizza Time Inc. is currently undertaking the phased, market-by-market conversion of all ShowBiz outlets to the Chuck E. Cheese's brand.)

[7] Last full year, ended August 3, 1990, comprised a 53-week reporting period.

[8] Del Taco's Top 100 chain data reflect aggregate results of approximately 424 outlets in franchise system of Del Taco Inc., Costa Mesa, Calif., and approximately 66 outlets in system of its licensee, Atlanta-based Del Taco Restaurants Inc.

[9] Formerly named Trusthouse Forte Food Services (changed June 10). Gardner Merchant's current-year results include income from 21 business & industry contract accounts recently acquired from Ogden Allied Services Corp.

[10] Includes revenues from some on-site games.

[11] Rally's Top 100 data were recalculated and expressed for the 3-year period to reflect chain's 1990 change from a mid-year to a calendar-year fiscal-year closing.

TOP 100 COMPANIES RANKED BY U.S. FOODSERVICE REVENUE

1991 Rank	1990 Rank	Company	Chains	Fiscal Year Ends	U.S. Food & Beverage Revenue (By iscal Year, In Millions)		
					Current**	Last Full	Prior
1	1	PepsiCo Inc.*	Pizza Hut, Taco Bell, Kentucky Fried Chicken	Dec. '91	$ 6,400.0	$ 5,540.0	$ 4,680.0
2	2	McDonald's Corp.*	McDonald's	Dec. '91	5,276.0	4,927.0	3,923.0
3	3	Marriott Corp.* [1]	Marriott Hotels, Marriott Management Services, Host Int'l	Dec. '91	4,577.0	4,762.2	5,262.0
4	4	TW Holdings Inc.*	Denny's, Hardee's, Quincy's, El Pollo Loco, Canteen Corp.	Dec. '91	3,800.0	3,700.0	3,500.0
5	5	General Mills Inc.*	Red Lobster, Olive Garden	May '92	2,277.0	2,010.0	1,790.0
6	6	Imasco Ltd.*	Hardee's, Roy Rogers	Dec. '91	2,017.0	1,846.0	1,477.0
7	7	ARA Services Inc.	ARASERVE, ARA Leisure Services	Sept. '91	1,752.4	1,680.8	1,577.0
8	8	Foodmaker Inc.	Jack in the Box, Chi-Chi's	Sept. '91	1,200.0	1,119.0	1,025.0
9	10	Grand Metropolitan PLC	Burger King	Sept. '91	1,140.0	1,043.6	910.0
10	11	Carlson Cos.	T.G.I. Friday's, Dalt's, Radisson Hotels, Country Kitchen	Dec. '91	1,139.1	1,026.2	896.2
11	9	Servam Inc.	Service America Food Service	Mar. '92	1,100.0	1,100.0	1,060.0
12	12	Wendy's International Inc.*	Wendy's	Dec. '91	1,060.0	1,010.8	1,069.0
13	14	Morrison Inc.*	Morrison's Cafeterias, Morrison's Custom Management, Ruby Tuesday's	May '92	972.4	900.5	829.2
14	13	Restaurant Enterprises Group Inc. [2]	El Torito, Casa Gallardo, Carrow's, Coco's, Reuben's, Charley Brown's	Dec. '91	919.0	902.0	870.0
15	16	Dial Corp.*	Dobbs International/Dobbs Houses, Greyhound Food Mgmt., Burger King	Dec. '91	808.0	761.0	737.0
17	19	S&A Restaurant Corp.	Bennigan's, Steak and Ale	June '92	697.6	676.0	693.4
17	19	S&A Restaurant Corp.	Bennigan's, Steak and Ale	June '92	697.6	676.0	693.4
18	17	Domino's Pizza Inc.	Domino's Pizza	Dec. '91	694.4	696.1	754.8
19	20	Southland Corp.*	7-Eleven	Dec. '91	669.0	669.0	661.0
20	18	Tennessee Restaurant Co.*	Perkins Family Restaurants, Friendly Ice Cream	Dec. '91	660.0	677.0	707.0
21	21	Caterair International	Marriott In-flite	Dec. '91	609.0	641.0	557.0
22	22	Walt Disney Co.*	Disney theme parks, hotels	Sept. '91	605.4	574.9	495.6
23	23	Long John Silver's Holdings Inc. [3]	Long John Silver's	June '92	563.4	552.4	544.7
24	24	Sodexho*	The Seiler Corp., Boatel, Food Dimensions Inc.	Aug. '91	526.0	511.0	472.0
25	29	Little Caesars Enterprises Inc.	Little Caesars Pizza	Dec. '91	523.0	430.0	347.0
26	30	Brinker International* [4]	Chili's Grill & Bar, Regas Grill, Romano's Macaroni Grill	June '92	520.0	426.0	347.0
27	27	Onex Corp.	Sky Chefs, Southwest Dining Services	Dec. '91	500.0	471.0	417.0
28	26	Carl Karcher Enterprises*	Carl's Jr.	Jan. '92	497.0	474.0	472.0
29	28	Delaware North Cos.	Concession Air, Sportservice	Dec. '91	462.5	438.7	404.0
30	33	Ogden Corp.*	Ogden Allied entertainment, leisure and aviation services	Dec. '91	448.0	408.0	379.4
31	31	American Restaurant Group Inc.	Stuart Anderson's, Grandy's, Spoons Grill & Bar, Spectrum Foods	Dec. '91	436.7	425.2	416.4
32	34	Vicorp Restaurants Inc.*	Bakers Square, Village Inn	Oct. '91	428.0	394.4	359.2
33	32	Metromedia Steakhouses, Inc.	Ponderosa Steakhouses, Bonanza Family Restaurants	Feb. '92	425.4	425.1	421.3
34	25	Al Copeland Enterprises [5]	Popeye's, Church's	Dec. '91	425.0	485.0	445.0
35	35	Hyatt Hotels Corp.	Hyatt hotels, resorts	Jan. '92	407.8	381.9	350.5
36	36	Investors Management Corp.	Golden Corral Family Steakhouse, Oh! Brian's, Church's Chicken	Dec. '91	407.0	377.4	462.4
37	76	Kyotaru Co. Ltd. [6]	Restaurant Associates (Acapulco, Charlie Brown's), Love's, Paragon Steakhouses, KFF Management (Arby's)	Dec. '91	403.5	156.3	29.3
38	37	Sizzler International Inc.* [7]	Sizzler Steak Seafood & Salad, Sizzler Buffet Court & Grill	April '92	385.0	366.0	333.0
39	38	Bob Evans Farms Inc.*	Bob Evans Restaurants, Owens Family Restaurant	April '92	380.0	358.2	322.3
40	39	K mart Corp.*	K mart cafeterias, K mart deli and snacks	Jan. '91	370.0	327.0	316.0
41	46	Chick-fil-A Inc.	Chick-fil-A	Dec. '91	334.0	293.7	263.8
42	49	Ryan's Family Steak Houses Inc.*	Ryan's Family Steak House	Dec. '91	330.3	285.7	253.0
43	42	Luby's Cafeterias Inc.*	Luby's Cafeterias	Aug. '91	330.0	311.0	283.3
44	48	National Pizza Co.*	Pizza Hut, Skipper's Seafood	Mar. '92	325.0	286.1	198.4
45	40	The Circle K Corp.	Circle K Convenience Stores	April '92	322.0	322.0	320.8
46	41	Boddie-Noell Enterprises Inc.	Hardee's, Skats	Sept. '91	320.0	315.0	305.0
47	56	Gardner Merchant Ltd.	Gardner Merchant Foodservices, Trusthouse Forte Hotels, Travel Lodge, Thrift Lodge	Jan. '92	317.0	246.0	229.0
48	45	White Castle System Inc.	White Castle	Dec. '91	308.0	297.0	282.0
49	47	Aoki Corp.	Westin Hotels	Dec. '91	307.1	292.3	285.6
50	44	Piccadilly Cafeterias Inc.*	Piccadilly Cafeterias	June '92	305.0	300.0	307.0

*Denotes publicly held company
**Projected
Source: NRN Research

EXPLANATION OF COLUMN HEADINGS

1991 Rank: The Top 100 companies are ranked, in descending order of magnitude, on the basis of projected corporate foodservice revenues from U.S. operations in the current fiscal year.

1990 Rank: The same 100 companies are ranked on the basis of U.S. foodservice revenue in their last full fiscal year, as revised from projections published in the 1990 Top 100 report. Companies not assigned a 1990 ranking did not generate sufficient revenue in their last full fiscal year to rank among the Top 100 in that year.

Company: The business entity that ultimately owns the specified foodservice revenues; not an owned subsidiary that may function as a parent company.

Chains: The names of chains or restaurant groups operated or franchised by the company. In some instances the listed chain is a type of operation, such as a contract foodservice system or hotel group.

Fiscal year ends: The ending date of the fiscal year represented in the "current" year column.

U.S. Food & Beverage Revenue: Domestically generated foodservice dollars collected by the company. Included are sales at company-owned operations; sales royalties and fees collected from franchisees; and proceeds from routine asset sales and divestitures by foodservice divisions. Excluded from revenues are sales at franchised restaurants; revenues generated by manufacturing or wholesaling products; revenues generated through sales of processed foods at supermarkets; distribution revenues; other revenues from non-foodservice sales at restaurants; and revenues from foreign operations. Figures represent three consecutive years, i.e., "current," "last full" and "prior." Amounts for hotels, contractors and in-store feeders exclude all non-foodservice retail sales, such as income from rooms, souvenirs and general retail.

Source: Data were gathered by the editorial staff of Nation's Restaurant News from chains, companies, franchisees, corporate reports, government documents, financial analysts and other reliable sources. Year-to-date trends and historic information were used to project or estimate current-year sales.

TOP 100 COMPANIES RANKED BY U.S. FOODSERVICE REVENUE

1991 Rank	1990 Rank	Company	Chains	Fiscal Year Ends	U.S. Food & Beverage Revenue (By iscal Year, In Millions)		
					Current**	Last Full	Prior
51	51	ITT Corp.	Sheraton Hotels	Dec. '91	$ 302.1	$ 276.0	$ 253.5
52	43	Gilbert/Robinson Inc. [8]	Houlihan's, Darryl's, Charley's Place	Dec. '91	299.0	300.3	283.7
53	60	Cracker Barrel Old Country Store Inc.* [9]	Cracker Barrel Old Country Store	Aug. '91	295.0	225.5	169.5
54	53	Hilton Hotels Corp.*	Hilton hotels, casinos	Dec. '91	277.2	255.5	233.3
55	50	Furr's/Bishop's Cafeterias L.P.*	Furr's Cafeteria's, Bishop's Cafeterias	Dec. '91	270.0	282.9	285.5
56	58	ServiceMaster L.P.*	ServiceMaster contract feeding	Dec. '91	269.0	239.0	228.0
57	52	Elias Bros. Restaurants Inc.	Big Boy, Top Hat contracting	Dec. '91	268.0	256.0	250.0
58	54	TPI Enterprises*	Shoney's, Captain D's, Hungry Fisherman	Dec. '91	266.0	252.7	241.9
59	55	Riese Organization	Houlihan's, T.G.I. Friday's, Charley O's, Ground Round, El Torito	April '92	250.0	250.0	240.0
60	59	RTM Inc.	Arby's, Mrs. Winner's Chicken & Biscuits	May '92	245.0	233.0	192.0
61	57	Nestle S.A.	Stouffer Hotels, J.B. Winberie, Cheese Cellar	Dec. '91	241.6	245.9	244.7
62	69	The Albert Abela Corp.	Wood Co. contract food services	Dec. '91	237.0	198.3	172.7
63	62	Daka International*	Daka contract food services, Fuddruckers	June '92	225.6	215.1	209.3
64	61	Ground Round Restaurants Inc. [10]	Ground Round	Dec. '91	224.1	215.6	20.0
65	67	Six Flags Corp.	Six Flags amusement parks	Dec. '91	221.7	201.7	196.9
66	66	Harman Management Corp.	Kentucky Fried Chicken	June '92	219.2	206.9	178.8
67	63	Whataburger Inc.	Whataburger	Sept. '91	218.4	212.6	215.0
68	70	Sbarro Inc.*	Sbarro The Italian Eatery	Dec. '91	218.0	190.0	147.0
69	71	Unigate Restaurants	Taco Bueno, Casa Bonita, Black-eyed Pea, Crystal's	Apr. '92	216.0	189.4	165.4
70	84	Buffets Inc.*	Old Country Buffet	Jan. '92	212.5	145.8	115.7
71	68	Krystal Shares Inc.	Krystal	Dec. '91	210.0	201.0	193.0
72	65	Harry M. Stevens Inc.	Harry M. Stevens contract food services	Dec. '91	207.5	210.0	228.0
73	74	Specialty Restaurants Corp.	94th Aero Squadron, Baby Doe's Matchless Mine, Crawdaddy's	July '92	188.9	184.3	194.0
74	72	Wyatt Cafeterias Inc.	Wyatt Cafeterias	Dec. '91	182.1	187.2	176.3
75	75	Woolworth Corp.*	Woolworth in-store, Burger King, Harvest House	Jan. '91	175.3	172.8	170.0
76	79	Club Corp. of America Inc.	Private clubs and resorts	Dec. '91	175.0	150.0	139.0
77	64	DWG Corp.	Arby's Inc., Daddy-O's	Dec. '91	172.0	212.0	184.0
78	78	Allied-Lyons PLC [11]	Baskin-Robbins, Dunkin' Donuts	Feb. '92	162.8	150.7	24.5
79	80	Chart House Enterprises Inc.*	The Chart House, Paradise Bakery	Dec. '91	161.0	149.9	139.6
80	89	ShowBiz Pizza Time Inc.* [12]	Chuck E. Cheese, ShowBiz Pizza, Monterey Tex-Mex Cafe	Dec. '91	155.9	137.6	126.9
81	82	Carrols Corp.	Burger King	Dec. '91	155.6	149.5	145.5
82	81	Brown Derby Inc.	Brown Derby	May '91	151.0	149.7	148.5
83	77	RPM Pizza Inc.	Domino's Pizza	Dec. '91	150.0	153.6	126.0
84	85	Del Taco Inc. [13]	Del Taco, Naugles	Dec. '91	148.0	145.0	140.0
85	90	Pizza Management Inc.	Pizza Hut, Taco Bell, El Criollito	June '92	147.9	132.8	120.6
86	83	Frisch's Restaurants Inc.*	Big Boy, Hardee's	June '92	146.0	146.0	146.8
87	86	W.H. Braum Inc.	Braum's Ice Cream and Dairy Stores	Dec. '90	145.7	139.9	130.0
88	91	Mrs. Fields Inc.*	Mrs. Fields Cookies, La Petite Boulangerie	Dec. '91	136.6	130.1	120.1
89	87	Papa Gino's of America Inc. [14]	Papa Gino's Pizza & More	Sept. '91	135.0	138.5	134.1
90	93	Lyon's Restaurants Inc.	Lyon's Restaurants	June '92	134.0	122.0	109.0
91	92	Waffle House Inc.	Waffle House	June '92	130.0	130.0	120.0
92	96	JB's Restaurants Inc.*	Sbarro, Inc.	Sept. '91	128.0	114.8	109.4
93	88	Promus Cos.*	Harrah's Casinos, Embassy Suites	Dec. '91	125.5	138.4	144.2
94	95	Consolidated Products Inc.*	Steak 'n Shake, Jeremiah Sweeney's, Santini's Italian Cafe	Sept. '91	123.4	116.1	108.7
95	94	Wilshire Restaurant Group	Marie Callender's	Dec. '91	117.5	117.4	116.5
96	—	Doctor's Associates Inc.	Subway, Cajun Joe's	Dec. '91	117.0	94.0	89.0
97	97	Shato Holdings Ltd.	Winchell's Donut Houses, Rolling Pin Donuts	Mar. '92	115.0	113.6	41.2
98	99	Sybra Inc.	Arby's Roast Beef Restaurants	Dec. '91	105.0	103.6	93.6
99	73	Greenleaf Ventures Inc. [15]	Carlos Murphy's, Rusty Pelican	Oct. '91	104.5	185.7	219.2
100	—	IHOP Corp.* [16]	International House of Pancakes	Dec. '91	101.1	97.3	86.9
		TOTAL:			$59,827.7	$56,350.1	$51,825.6

*Denotes Publicly Held Company
**Projected
Source: NRN Research

FOOTNOTES

[1] Results for 1989 include income of $557 million from Marriott In-Flite division, which Marriott sold that year.

[2] Results for prior years are restated to reflect divestitures of Mor Food 'N Fun division, in 1990, and Gilbert/Robinson division, in 1989.

[3] Formerly named Jerrico Inc.

[4] Formerly named Chili's Inc.

[5] Company currently operates under Chapter 11 of the federal bankruptcy code.

[6] Revenue growth reflects 1989 acquisition and subsequent expansion of KFF Mgmt. division (Calif. Arby's franchises) and 1990 acquisitions of Love's barbecue chain; Restaurant Associates group (Acapulco Mexican chain, Mamma Leone's, Charlie Brown's, etc.); and Paragon Steakhouses (Hungry Hunter/Mountain Jack's).

[7] Formerly named Collins Foods Inc. Results restated to reflect recent divestiture of its 209 KFC units and buyout of the 34 percent share of Sizzler's stock that Collins did not already hold.

[8] Last full year results reflect a 53-week reporting period.

[9] Last full year, ended August 3, 1990, comprised a 53-week reporting period.

[10] Formerly named GR Foods Inc., a name adopted last year by the former International Proteins Corp. The smaller "previous" year revenue figure reflects the company's acquisition of the Ground Round chain in November 1989.

[11] Results exclude income from Mister Donut chain, which company operates only in Canada.

[12] Annual revenue figures exclude income from games and merchandise.

[13] Company is a separate entity from its Atlanta-based licensee, Del Taco Restaurants Inc.

[14] Last full year, ended Sept. 1990, comprised a 53-week reporting period.

[15] Formerly named Paragon Restaurant Group. Results for last full year reflect sale of Paragon Steakhouses division (Hungry Hunter/Mountain Jack's) to Kyotaru Co. in June 1990.

[16] IHOP Corp. made its initial public stock offering on July 12, 1991.

ALPHABETIC DIRECTORY OF TOP 100 COMPANIES

(Use numeric rankings to locate projected 1991 results of companies in key Top 100 tables)

Company	Company Headquarters	1991 Rankings	
		Foodservice Revenue	Revenue Growth Rate
Al Copeland Enterprises	Jefferson, La.	34	98
Allied-Lyons PLC	London, England	78	31
American Restaurant Group Inc.	Newport Beach, Calif.	31	65
Aoki Corp.	Tokyo, Japan	49	49
ARA Services Inc.	Philadelphia, Pa.	7	56
Bob Evans Farms Inc.	Columbus, Ohio	39	42
Boddie-Noell Enterprises Inc.	Rocky Mount, N.C.	46	72
Brinker International	Dallas, Texas	26	6
Brown Derby Inc.	Dedham, Mass.	82	76
Buffets Inc.	Eden Prairie, Minn.	70	2
Carl Karcher Enterprises	Anaheim, Calif.	28	53
Carlson Cos.	Minnetonka, Minn.	10	22
Carrols Corp.	Syracuse, N.Y.	81	58
Caterair International	Potomac, Md.	21	96
Chart House Enterprises Inc.	Solana Beach, Calif.	79	34
Chick-fil-A Inc.	Atlanta, Ga.	41	14
Club Corp. of America Inc.	Dallas, Texas	76	9
Consolidated Products Inc.	Indianapolis, Ind.	94	38
Cracker Barrel Old Country Store Inc.	Lebanon, Tenn.	53	3
Daka International	Wakefield, Mass.	63	51
Del Taco Inc.	Costa Mesa, Calif.	84	68
Delaware North Cos.	Buffalo, N.Y.	29	44
Dial Corp.	Phoenix, Ariz.	15	39
Doctor's Associates Inc.	Milford, Conn.	96	5
Domino's Pizza Inc.	Ann Arbor, Mich.	18	86
DWG Corp.	Miami, Fla.	77	99
Elias Bros. Restaurants Inc.	Warren, Mich.	57	54
Foodmaker Inc.	San Diego, Calif.	8	35
Frisch's Restaurants Inc.	Cincinnati, Ohio	86	80
Furr's/Bishop's Cafeterias L.P.	Lubbock, Texas	55	95
Gardner Merchant Ltd.	Kenley, England	47	4
General Mills Inc.	Orlando, Fla.	5	17
Gilbert/Robinson Inc.	Kansas City, Mo.	52	87
Grand Metropolitan PLC	London, England	9	28
Greenleaf Ventures Inc.	San Diego, Cal.	99	100
Ground Round Restaurants Inc.	So. Weymouth, Mass.	64	59
Harman Management Corp.	Los Altos, Calif.	66	43
Harry M. Stevens Inc.	Cranbury, N.J.	72	88
Hilton Hotels Corp.	Beverly Hills, Calif.	54	30
Hyatt Hotels Corp.	Chicago, Ill.	35	37
IHOP Corp.	Glendale, Cal.	100	60
Imasco Ltd.	Montreal, Canada	6	27
Investors Management Corp.	Raleigh, N.C.	36	33
ITT Corp.	Boston, Mass.	51	26
JB's Restaurants Inc.	Salt Lake City, Utah	92	20
K mart Corp.	Troy, Mich.	40	18
Krystal Shares Inc.	Chattanooga, Tenn.	71	55
Kyotaru Co. Ltd.	Tokyo, Japan	37	1
Little Caesars Enterprises Inc.	Detroit, Mich.	25	7
Long John Silver's Holdings Inc.	Lexington, Ky.	23	69
Luby's Cafeterias Inc.	San Antonio, Texas	43	41
Lyon's Restaurants Inc.	Foster City, Calif.	90	24
Marriott Corp.	Washington, D.C.	3	94
McDonald's Corp.	Oak Brook, Ill.	2	36
Metromedia Steakhouses, Inc.	Dayton, Ohio	33	78
Morrison Inc.	Mobile, Ala.	13	32
Mrs. Fields Inc.	Park City, Utah	88	50
National Pizza Co.	Pittsburg, Kan.	44	15
Nestle S.A.	Vevey, Switzerland	61	89
Ogden Corp.	New York, N.Y.	30	25
Onex Corp.	Toronto, Canada	27	40
Papa Gino's of America Inc.	Dedham, Mass.	89	92
PepsiCo Inc.	Purchase, N.Y.	1	11
Piccadilly Cafeterias Inc.	Baton Rouge, La.	50	71
Pizza Management Inc.	San Antonio, Texas	85	21
Promus Cos.	Memphis, Tenn.	93	97
Restaurant Enterprises Group Inc.	Irvine, Calif.	14	70
Riese Organization	New York, N.Y.	59	81
RPM Pizza Inc.	Gulfport, Miss.	83	90
RTM Inc.	Atlanta, Ga.	60	48
Ryan's Family Steak Houses Inc.	Greer, S.C.	42	10
Sbarro Inc.	Commack, N.Y.	68	12
Servam Inc.	Stamford, Conn.	11	82
ServiceMaster L.P.	Downers Grove, Ill.	56	19
Shato Holdings Ltd.	Vancouver, Canada	97	75
Shoney's Inc.	Nashville, Tenn.	16	79
ShowBiz Pizza Time Inc.	Irving, Texas	80	16
Six Flags Corp.	Arlington, Texas	65	23
Sizzler International Inc.	Los Angeles, Calif.	38	47
Sodexho	Paris, France	24	63
Southland Corp.	Dallas, Texas	19	83
Specialty Restaurants Corp.	Anaheim, Calif.	73	67
Sybra Inc.	Atlanta, Ga.	98	74
S&A Restaurant Corp.	Dallas, Texas	17	62
Tennessee Restaurant Co.	Itasca, Ill.	20	91
Albert Abela Corp., The	London, England	62	8
Circle K Corp., The	Phoenix, Ariz.	45	84
TPI Enterprises	Memphis, Tenn.	58	46
TW Holdings Inc.	Spartanburg, S.C.	4	66
Unigate Restaurants	Dallas, Texas	69	13
Vicorp Restaurants Inc.	Denver, Colo.	32	29
Waffle House Inc.	Norcross, Ga.	91	85
Walt Disney Co.	Burbank, Calif.	22	45
Wendy's International Inc.	Dublin, Ohio	12	52
Whataburger Inc.	Corpus Christi, Texas	67	64
White Castle System Inc.	Columbus, Ohio	48	61
Wilshire Restaurant Group	Orange, Calif.	95	77
Woolworth Corp.	New York, N.Y.	75	73
Wyatt Cafeterias Inc.	Dallas, Texas	74	93
W.H. Braum Inc.	Oklahoma City, Okla.	87	57

Source: NRN Research

WELCOME TO NRN'S TOP 100

by Richard Martin
NRN Top 100 Project Director

Nation's Restaurant News proudly presents its annual Top 100 report, which is widely regarded as foodservice's most reliable and graphic appraisal of growth and change in the industry's highest-grossing chains and companies.

The product of hundreds of man-hours of research and reporting by NRN's editors, the Top 100 study offers forward-looking and penetrating insights into the dynamics shaping the U.S. food and beverage marketplace.

Top 100 utilizes a variety of yardsticks to measure the performances and growth rates of the industry's front-line contenders. The study provides in detail a chain-by-chain and segment-by-segment evaluation of a group whose aggregate volumes equal fully 37 percent of the estimated sales of the U.S. foodservice industry.

Differing from other industry studies and rankings, Top 100 takes a more detailed and focused look at the largest chains and companies by painstakingly excluding their foreign and nonfoodservice results.

Thus, the report paints an uncommonly vivid picture of those chains — and those market and menu categories — that are slicing off the biggest wedges of the U.S. foodservice pie.

The remarkable accuracy of Top 100's current-year projections, which form the basis of the study's primary rankings, has once again been underscored by a re-evaluation of the projected results from last year's study.

NRN's Top 100 report for 1990, based on findings at its midyear deadline a year ago, projected that sales by the industry's 100 top-grossing chains would total $87.68 billion for the full year. The final results for 1990 — the "last full year" column in this year's report — show a total of $87.38 billion, a difference of only 0.3 percent from the forecast.

The projected aggregate revenues of the Top 100 companies last year was $56.58 billion, and the year-end result — off by only 0.4 percent — was $56.35 billion.

Moreover, the report examines system sales, unit volume, sales growth, chain growth and franchise expansion over a three-year span running through the end of each organization's current fiscal year.

The sole criterion for inclusion of chains in the Top 100 study each year is U.S. systemwide foodservice sales; for companies, the basis for inclusion is U.S. foodservice revenues. The qualifying threshold for this year's class of Top 100 chains was $209.9 million in domestic foodservice sales; for companies, it was $101.1 million in domestic foodservice revenues.

Only those organizations whose volumes exceed those particular sales and revenue levels were included in the Top 100 statistical universe.

In addition to the basic sales-based rankings, the Top 100 chains are separately positioned according to a variety of other criteria, including their number of domestic units and sales per unit as well as by year-to-year growth rates in both those categories.

In addition, chains are ranked on the basis of the growth rates of their systemwide sales, number of units and per-unit sales. The growth rates of chains' franchise systems is another measurement presented in the study.

In addition to being assigned rankings on the basis of their revenues, the Top 100 companies are listed in order of magnitude of their revenue-growth rates.

Chains, within their respective market segments, are also ranked in direct comparison to those competitors that also qualify for inclusion in the Top 100. Market-share rankings accompanying each segment analysis indicate the share of aggregate sales generated only by that segment's chains that are in the Top 100.

ALPHABETIC DIRECTORY OF TOP 100 CHAINS

(Use numeric rankings to locate projected 1991 results of chains in key Top 100 tables)

				1991 Rankings					
Chain	Chain Headquarters	Parent Company	Concept	System-wide Sales	System Sales Growth	Sales Per Unit	Growth, Sales Per Unit	Number of Units	% Growth, # of Units
Applebee's Neighborhood Grill & Bar	Kansas City, Mo.	Applebee's Neighborhood Grill & Bar	Dinner House	74	4	31	60	76	10
ARA Services/ARASERVE	Philadelphia, Pa.	ARA Services Inc.	Contract	11	57	77	72	14	44
Arby's	Atlanta, Ga.	DWG Corp.	Sandwich	16	70	85	98	15	46
Bakers Square	Chicago, Ill.	Vicorp Inc.	Family	78	14	32	20	77	21
Baskin-Robbins	Glendale, Calif.	Allied-Lyons PLC	Snack	39	23	96	18	17	43
Bennigan's	Dallas, Texas	S&A Restaurant Corp.	Dinner House	45	77	24	47	73	75
Big Boy	Warren, Mich.	Elias Bros. Restaurants Inc.	Family	19	49	44	42	29	61
Bob Evans Farms	Columbus, Ohio	Bob Evans Farms Inc.	Family	57	38	36	40	66	20
Bonanza	Dallas, Texas	Metromedia Co.	Steak	48	94	57	66	47	97
Burger King	Miami, Fla.	Grand Metropolitan PLC	Sandwich	2	79	47	49	5	42
Canteen Corp.	Spartanburg, S.C.	TW Holdings Inc.	Contract	18	100	67	100	21	67
Captain D's Seafood	Nashville, Tenn.	Shoney's Inc.	Seafood	50	61	73	77	38	60
Carl's Jr.	Anaheim, Calif.	Carl Karcher Enterprises Inc.	Sandwich	34	50	46	41	39	22
Chick-fil-A	Atlanta, Ga.	Chick-fil-A Inc.	Chicken	60	13	70	29	49	30
Chili's Grill & Bar	Dallas, Texas	Brinker International	Dinner House	36	9	23	48	64	9
Chi-Chi's	Louisville, Ky.	Foodmaker Inc.	Dinner House	44	54	21	95	70	28
Church's Fried Chicken	Jefferson, La.	Al Copeland Enterprises	Chicken	49	95	91	63	28	91
Circle K	Phoenix, Ariz.	Circle K Corp.	C-store	62	89	100	73	10	76
Concession Air	Buffalo, N.Y.	Delaware North Cos.	Contract	97	74	6	43	97	77
Cracker Barrel	Lebanon, Tenn.	Cracker Barrel Old Country Store Inc.	Family	72	2	14	36	91	3
Dairy Queen	Minneapolis, Minn.	American Dairy Queen Corp.	Sandwich	10	86	90	64	8	71
Del Taco	Costa Mesa, Calif.	Del Taco Inc.	Sandwich	81	51	78	2	52	69
Denny's	Irvine, Calif.	TW Holdings Inc.	Family	14	88	43	78	25	73
Disney theme parks and hotels	Burbank, Calif.	Walt Disney Co.	Theme park	33	44	1	23	100	78
Dobbs Houses	Memphis, Tenn.	The Dial Corp.	Contract	90	47	80	88	55	33
Dobbs International	Memphis, Tenn.	The Dial Corp.	Contract	66	43	5	34	96	79
Domino's Pizza	Ann Arbor, Mich.	Domino's Pizza Inc.	Pizza	8	62	86	75	6	40
Dunkin' Donuts	Randolph, Mass.	Allied-Lyons PLC	Snack	25	33	83	97	18	8
El Torito	Irvine, Calif.	Restaurant Enterprises Group Inc.	Dinner House	82	83	22	67	89	65
Friendly's Restaurants	Wilbraham, Mass.	Tennessee Restaurant Co.	Family	43	93	75	59	32	94
Furr's Cafeterias	Lubbock, Texas	Furr's/Bishop's Cafeterias L.P.	Cafeteria	94	92	29	92	87	80
Gardner Merchant Food Services	Trumbull, Conn.	Gardner Merchant Ltd.	Contract	92	3	92	5	41	13
Godfather's Pizza	Omaha, Neb.	Godfather's Pizza Inc.	Pizza	89	73	87	50	45	63
Golden Corral	Raleigh, N.C.	Investors Management Corp.	Steak	47	68	48	6	50	64
Ground Round	So. Weymouth, Mass.	Ground Round Restaurants Inc.	Dinner House	73	64	37	51	75	59
Hardee's	Rocky Mount, N.C.	Imasco Ltd.	Sandwich	4	40	51	14	9	31
Hilton Hotels	Beverly Hills, Calif.	Hilton Hotels Corp.	Hotel	23	27	8	25	67	47
Holiday Inns	Atlanta, Ga.	Bass PLC	Hotel	35	67	94	32	22	81
Host International	Washington, D.C.	Marriott Corp.	Contract	31	65	53	70	36	49
Hyatt Hotels	Chicago, Ill.	Hyatt Hotels Corp.	Hotel	51	37	9	33	92	93
International House of Pancakes	North Hollywood, Calif.	IHOP Corp.	Family	52	45	61	26	46	70
Jack in the Box	San Diego, Calif.	Foodmaker Inc.	Sandwich	24	31	50	55	27	32
K mart	Troy, Mich.	K mart Corp.	In-store	59	15	97	15	19	25
KFC	Louisville, Ky.	PepsiCo Inc.	Chicken	5	34	65	44	7	72
Krystal	Chattanooga, Tenn.	The Krystal Co.	Sandwich	99	56	59	28	71	66
Little Caesars Pizza	Detroit, Mich.	Little Caesar Enterprises Inc.	Pizza	12	5	89	17	11	11
Long John Silver's	Lexington, Ky.	Long John Silver's Holdings, Inc.	Fish	28	82	81	53	24	82
Luby's Cafeteria	San Antonio, Texas	Luby's Cafeterias Inc.	Cafeteria	61	39	18	93	86	16
Marie Callender's	Orange, Calif.	Wilshire Restaurant Group	Family	83	48	33	79	82	68
Marriott Hotels & Resorts	Bethesda, Md.	Marriott Corp.	Hotel	17	42	10	46	54	24
Marriott In-Flite	Potomac, Md.	Caterair International	Contract	32	97	3	13	95	90
Marriott Management Services	Washington, D.C.	Marriott Corp.	Contract	9	75	49	90	16	37
McDonald's	Oak Brook, Ill.	McDonald's Corp.	Sandwich	1	63	30	57	1	56
Morrison Custom Management	Mobile, Ala.	Morrison Inc.	Contract	37	36	68	12	31	89
Morrison's	Mobile, Ala.	Morrison Inc.	Cafeteria	63	46	26	24	81	92
Ogden Allied Entertainment Services	New York, N.Y.	Ogden Corp.	Contract	84	81	19	94	90	26
Olive Garden	Orlando, Fla.	General Mills Inc.	Dinner House	30	6	15	45	61	4
Perkins Family Restaurants	Memphis, Tenn.	Tennessee Restaurant Co.	Family	41	32	42	71	51	18
Piccadilly	Baton Rouge, La.	Piccadilly Cafeterias Inc.	Cafeteria	70	85	25	80	83	34
Pizza Hut	Wichita, Kan.	PepsiCo Inc.	Pizza	3	19	79	81	2	38
Ponderosa	Dayton, Ohio	Metromedia Co.	Steak	29	52	54	82	33	35
Popeye's Chicken	Jefferson, La.	Al Copeland Enterprises	Chicken	38	72	69	68	30	48
Quincy's	Spartanburg, S.C.	TW Holdings Inc.	Steak	75	78	39	83	74	50
Radisson Hotels	Minneapolis, Minn.	Carlson Cos.	Hotel	55	11	17	37	80	14
Rally's	Louisville, Ky.	Rally's Inc.	Sandwich	98	7	63	96	59	1
Ramada Inn	Fairfield, N.J.	Hospitality Franchise System	Hotel	56	12	72	65	40	6
Rax	Columbus, Ohio	Rax Restaurants Inc.	Sandwich	77	99	74	69	58	100
Red Lobster	Orlando, Fla.	General Mills Inc.	Dinner House	13	26	13	84	44	45
Restaura	Phoenix, Ariz.	The Dial Corp.	Contract	85	28	76	39	56	36
Round Table Pizza	San Francisco, Calif.	Round Table Franchise Corp.	Pizza	67	84	82	74	42	62
Ruby Tuesday	Mobile, Ala.	Morrison Inc.	Dinner House	95	30	27	21	84	5
Ryan's Family Steak House	Greer, S.C.	Ryan's Family Steak Houses Inc.	Steak	58	22	20	85	79	15
Sbarro, The Italian Eatery	Commack, N.Y.	Sbarro Inc.	Pizza	76	10	84	91	43	7
Seiler Corp.	Waltham, Mass.	Sodexho Corp.	Contract	53	69	52	35	57	83
Service America	Stamford, Conn.	Servam Inc.	Contract	22	91	66	3	23	99
ServiceMaster Food Mgmt. Servs.	Downers Grove, Ill.	ServiceMaster L.P.	Contract	80	17	56	16	65	27
7-Eleven	Dallas, Texas	Southland Corp.	C-store	26	90	99	76	3	74
Sheraton Hotels	Boston, Mass.	ITT Corp.	Hotel	20	29	7	27	62	51
Shoney's	Nashville, Tenn.	Shoney's Inc.	Family	21	16	35	62	34	29
Show Biz/Chuck E. Cheese's	Irving, Texas	Show Biz Pizza Time Inc.	Pizza	68	25	40	38	63	23
Six Flags amusement parks	Arlington, Texas	Six Flags Corp.	Theme park	96	24	58	10	69	84
Sizzler	Los Angeles, Calif.	Sizzler Restaurants International Inc.	Steak	27	71	34	86	37	54
Sky Chefs	Arlington, Texas	Onex Corp.	Contract	46	58	2	11	98	96
Sonic Drive-In	Oklahoma City, Okla.	Sonic Corp.	Sandwich	42	20	88	7	26	39
Sportservice	Buffalo, N.Y.	Delaware North Cos.	Contract	87	35	12	22	94	55
Steak and Ale	Dallas, Texas	S&A Restaurant Corp.	Dinner House	93	60	38	31	85	85
Stuart Anderson's Black Angus	Los Altos, Calif.	American Restaurant Group	Dinner House	91	59	16	58	93	57
Subway	Milford, Conn.	Doctor's Associates Inc.	Sandwich	15	1	95	1	4	2
Taco Bell	Irvine, Calif.	PepsiCo Inc.	Sandwich	7	18	60	4	13	19
TCBY	Little Rock, Ark.	TCBY Enterprises Inc.	Snack	65	98	98	99	20	95
The Wood Co.	Allentown, Penn.	The Albert Abela Corp.	Contract	88	8	64	9	60	17
Tony Roma's—A Place for Ribs	Dallas, Texas	Roma Corp.	Dinner House	100	41	28	87	88	41
T.G.I. Friday's	Dallas, Texas	Carlson Cos.	Dinner House	40	21	11	61	78	12
Village Inn	Denver, Colo.	Vicorp Inc.	Family	86	80	45	19	72	88
Waffle House	Norcross, Ga.	Waffle House Inc.	Family	79	87	93	56	35	86
Wendy's	Dublin, Ohio	Wendy's International Inc.	Sandwich	6	53	62	54	12	58
Western Sizzlin'	Dallas, Texas	Intermark/Triton Group	Steak	54	96	55	52	53	98
Westin Hotels	Seattle, Wash.	Aoki Corp.	Hotel	71	55	4	30	99	53
Whataburger	Corpus Christi, Texas	Whataburger Inc.	Sandwich	64	76	71	89	48	87
White Castle	Columbus, Ohio	White Castle System Inc.	Sandwich	69	66	41	8	68	52

*Projected

Source: NRN Research

TOP 100 CHAINS
RANKED BY U.S. SYSTEMWIDE SALES GROWTH

(year-to-year percentage change)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Percentage Change	
				'91 vs. '90	'90 vs. '89
1	3	Subway	Dec. '91	33.28%	37.18%
2	6	Cracker Barrel	Aug. '91	30.82	33.04
3	2	Gardner Merchant Food Services	Jan. '92	29.21	43.55
4	1	Applebee's Neighborhood Grill & Bar	Dec. '91	26.77	54.50
5	12	Little Caesars Pizza	Dec. '91	23.64	21.68
6	4	Olive Garden	May '92	23.49	36.22
7	5	Rally's	Dec. '91	21.67	33.63
8	23	The Wood Co.	Dec. '91	19.52	14.82
99	13	Chili's Grill & Bar	June '92	18.13	19.76
10	8	Sbarro, The Italian Eatery	Dec. '91	15.40	26.90
11	9	Radisson Hotels	Dec. '91	14.29	25.90
12	77	Ramada Inn	Dec. '91	13.97	2.10
13	31	Chick-fil-A	Dec. '91	13.72	11.33
14	22	Bakers Square	Oct. '91	13.25	14.85
15	69	K mart	Jan. '92	13.15	3.48
16	21	Shoney's	Oct. '91	12.98	14.95
17	63	ServiceMaster Food Mgmt. Servs.	Dec. '91	12.97	4.82
18	19	Taco Bell	Dec. '91	12.96	15.32
19	10	Pizza Hut	Dec. '91	12.50	25.00
20	15	Sonic Drive-In	Nov. '91	11.57	16.51
21	25	T.G.I. Friday's	Dec. '91	11.46	12.30
22	16	Ryan's Family Steak House	Dec. '91	10.79	16.27
23	98	Baskin-Robbins	Feb. '92	10.64	– 7.27
24	74	Six Flags amusement parks	Dec. '91	9.92	2.44
25	47	Show Biz/Chuck E. Cheese's	Dec. '91	9.34	7.00
26	65	Red Lobster	May '92	8.57	4.48
27	26	Hilton Hotels	Dec. '91	8.50	11.83
28	99	Restaura	Dec. '91	8.26	– 9.09
29	18	Sheraton Hotels	Dec. '91	8.22	15.75
30	34	Ruby Tuesday	May '92	8.17	10.05
31	24	Jack in the Box	Sept. '91	8.14	13.09
32	30	Perkins Family Restaurants	Dec. '91	8.00	11.35
33	7	Dunkin' Donuts	Feb. '92	7.95	28.19
34	50	KFC	Dec. '91	7.81	6.67
35	44	Sportservice	Dec. '91	7.68	8.47
36	81	Morrison Custom Management	May '92	7.02	1.88
37	41	Hyatt Hotels	Jan. '92	6.78	8.96
38	32	Bob Evans Farms	Apr. '92	6.23	11.14
39	38	Luby's Cafeteria	Aug. '91	6.11	9.78
40	11	Hardee's	Dec. '91	5.97	21.98
41	37	Tony Roma's—A Place for Ribs	Feb. '92	5.90	9.81
42	35	Marriott Hotels & Resorts	Dec. '91	5.76	9.95
43	42	Dobbs International	Dec. '91	5.48	8.66
44	17	Disney theme parks and hotels	Sept. '91	5.31	16.00
45	45	International House of Pancakes	Dec. '91	5.01	7.99
46	85	Morrison's	May '92	5.01	– 0.32
47	27	Dobbs Houses	Dec. '91	5.00	11.68
48	39	Marie Callender's	Dec. '91	4.99	9.51
49	56	Big Boy	Dec. '91	4.93	5.62
50	64	Carl's Jr.	Jan. '92	4.82	4.57
51	70	Del Taco	Dec. '91	4.78	3.20
52	54	Ponderosa	Feb. '92	4.73	6.06
53	88	Wendy's	Dec. '91	4.67	– 1.11
54	52	Chi-Chi's	Sept. '91	4.64	6.55
55	78	Westin Hotels	Dec. '91	4.60	2.03
56	66	Krystal	Dec. '91	4.48	4.15
57	51	ARA Services/ARASERVE	Sept. '91	4.26	6.58
58	28	Sky Chefs	Dec. '91	4.09	11.68
59	73	Stuart Anderson's Black Angus	Dec. '91	4.07	2.50
60	93	Steak and Ale	June '92	4.01	– 2.52
61	59	Captain D's Seafood	Oct. '91	3.99	5.35
62	57	Domino's Pizza	Dec. '91	3.98	5.61
63	79	McDonald's	Dec. '91	3.95	1.99
64	53	Ground Round	Dec. '91	3.92	6.07
65	61	Host International	Dec. '91	3.89	5.25
66	60	White Castle	Dec. '91	3.70	5.32
67	62	Holiday Inns	Dec. '91	3.69	4.84
68	96	Golden Corral	Dec. '91	3.67	– 5.64
69	29	Seiler Corp.	Aug. '91	3.46	11.43
70	49	Arby's	Dec. '91	3.46	6.73
71	68	Sizzler	Apr. '92	3.11	3.72
72	80	Popeye's Chicken	Oct. '91	3.08	1.96
73	94	Godfather's Pizza	May '92	3.06	– 2.97
74	43	Concession Air	Dec. '91	3.02	8.55
75	33	Marriott Management Services	Dec. '91	2.99	10.38
76	71	Whataburger	Dec. '91	2.84	3.17
77	92	Bennigan's	June '92	2.81	– 2.51
78	48	Quincy's	Dec. '91	2.66	6.91
79	46	Burger King	Sept. '91	2.46	7.00
80	72	Village Inn	Oct. '91	2.29	2.51
81	40	Ogden Allied Entertainment Services	Dec. '91	2.25	9.15
82	75	Long John Silver's	June '92	2.19	2.24
83	55	El Torito	Dec. '91	2.01	5.64
84	58	Round Table Pizza	June '92	1.93	5.42
85	91	Piccadilly	June '92	1.67	– 2.28
86	76	Dairy Queen	Nov. '91	1.55	2.17
87	82	Waffle House	June '92	1.28	1.29
88	36	Denny's	Dec. '91	0.39	9.90
89	84	Circle K	Oct. '92	0.24	0.65
90	83	7-Eleven	Dec. '91	0.00	1.00
91	67	Service America	Mar. '92	0.00	3.77
92	86	Furr's Cafeterias	Dec. '91	– 2.17	– 0.56
93	97	Friendly's Restaurants	Dec. '91	– 4.13	– 5.96
94	89	Bonanza	Feb. '92	– 4.35	– 1.59
95	87	Church's Fried Chicken	Oct. '91	– 4.77	– 1.07
96	100	Western Sizzlin'	Dec. '91	– 4.80	–10.44
97	20	Marriott In-Flite	Dec. '91	– 4.99	15.08
98	14	TCBY	Nov. '91	– 7.64	16.55
99	95	Rax	July '91	– 9.77	– 4.57
100	90	Canteen Corp.	Dec. '91	–10.95	– 2.14

*Projected
Source: NRN Research

TOP 100 COMPANIES
RANKED BY GROWTH IN U.S. FOODSERVICE REVENUE

(Year-to-Year Percentage Change)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Percentage Change	
				'91 vs. '90	'90 vs. '89
1	3	Kyotaru Co. Ltd.	Dec. '91	158.16	433.45
2	8	Buffets Inc.	Jan. '92	45.75	26.02
3	6	Cracker Barrel Old Country Store Inc.	Aug. '91	30.82	33.04
4	50	Gardner Merchant Ltd.	Jan. '92	28.86	7.42
5	58	Doctor's Associates Inc.	Dec. '91	24.47	5.62
6	12	Brinker International	June '92	22.07	22.77
7	11	Little Caesars Enterprises Inc.	Dec. '91	21.63	23.92
8	20	The Albert Abela Corp.	Dec. '91	19.52	14.82
9	47	Club Corp. of America Inc.	Dec. '91	16.67	7.91
10	25	Ryan's Family Steak Houses Inc.	Dec. '91	15.61	12.92
11	15	PepsiCo Inc.	Dec. '91	15.52	18.38
12	7	Sbarro Inc.	Dec. '91	14.74	29.25
13	22	Unigate Restaurants	Apr. '92	14.04	14.51
14	29	Chick-fil-A Inc.	Dec. '91	13.72	11.33
15	5	National Pizza Co.	Mar. '92	13.60	44.20
16	43	ShowBiz Pizza Time Inc.	Dec. '91	13.30	8.43
17	26	General Mills Inc.	May '92	13.28	12.29
18	68	K mart Corp.	Jan. '91	13.15	3.48
19	61	ServiceMaster L.P.	Dec. '91	12.55	4.82
20	60	JB's Restaurants Inc.	Sept. '91	11.50	4.94
21	32	Pizza Management Inc.	June '92	11.37	10.12
22	23	Carlson Cos.	Dec. '91	11.00	14.51
23	74	Six Flags Corp.	Dec. '91	9.92	2.44
24	28	Lyon's Restaurants Inc.	June '92	9.84	11.93
25	49	Ogden Corp.	Dec. '91	9.80	7.54
26	40	ITT Corp.	Dec. '91	9.46	8.88
27	10	Imasco Ltd.	Dec. '91	9.26	24.98
28	21	Grand Metropolitan PLC	Sept. '91	9.24	14.68
29	34	Vicorp Restaurants Inc.	Oct. '91	8.52	9.80
30	36	Hilton Hotels Corp.	Dec. '91	8.49	9.52
31	2	Allied-Lyons PLC	Feb. '92	8.03	515.10
32	41	Morrison Inc.	May '92	7.98	8.60
33	100	Investors Management Corp.	Dec. '91	7.84	– 18.38
34	51	Chart House Enterprises Inc.	Dec. '91	7.40	7.38
35	37	Foodmaker Inc.	Sept. '91	7.24	9.17
36	9	McDonald's Corp.	Dec. '91	7.08	25.59
37	39	Hyatt Hotels Corp.	Jan. '92	6.78	8.96
38	52	Consolidated Products Inc.	Sept. '91	6.29	6.81
39	71	Dial Corp.	Dec. '91	6.18	3.26
40	24	Onex Corp.	Dec. '91	6.16	12.95
41	35	Luby's Cafeterias Inc.	Aug. '91	6.11	9.78
42	30	Bob Evans Farms Inc.	April '92	6.09	11.14
43	17	Harman Management Corp.	June '92	5.94	15.72
44	42	Delaware North Cos.	Dec. '91	5.43	8.59
45	16	Walt Disney Co.	Sept. '91	5.31	16.00
46	62	TPI Enterprises	Dec. '91	5.26	4.46
47	33	Sizzler International Inc.	April '92	5.19	9.91
48	14	RTM Inc.	May '92	5.15	21.35
49	76	Aoki Corp.	Dec. '91	5.06	2.35
50	45	Mrs. Fields Inc.	Dec. '91	5.00	8.33
51	72	Daka International	June '92	4.88	2.77
52	95	Wendy's International Inc.	Dec. '91	4.87	– 5.44
53	85	Carl Karcher Enterprises	Jan. '92	4.85	0.42
54	75	Elias Bros. Restaurants Inc.	Dec. '91	4.69	2.40
55	64	Krystal Shares Inc.	Dec. '91	4.48	4.15
56	54	ARA Services Inc.	Sept. '91	4.26	6.58
57	48	W.H. Braum Inc.	Dec. '90	4.15	7.62
58	73	Carrols Corp.	Dec. '91	4.08	2.75
59	1	Ground Round Restaurants Inc.	Dec. '91	3.94	978.00
60	27	IHOP Corp.	Dec. '91	3.91	11.97
61	59	White Castle System Inc.	Dec. '91	3.70	5.32
62	91	S&A Restaurant Corp.	June '92	3.20	– 2.51
63	46	Sodexho	Aug. '91	2.94	8.26
64	89	Whataburger Inc.	Sept. '91	2.73	– 1.12
65	77	American Restaurant Group Inc.	Dec. '91	2.70	2.11
66	57	TW Holdings Inc.	Dec. '91	2.70	5.71
67	94	Specialty Restaurants Corp.	July '92	2.50	– 5.00
68	67	Del Taco Inc.	Dec. '91	2.07	3.57
69	79	Long John Silver's Holdings Inc.	June '92	1.99	1.41
70	66	Restaurant Enterprises Group Inc.	Dec. '91	1.88	3.68
71	90	Piccadilly Cafeterias Inc.	June '92	1.67	– 2.28
72	70	Boddie-Noell Enterprises Inc.	Sept. '91	1.59	3.28
73	78	Woolworth Corp.	Jan. '91	1.45	1.65
74	31	Sybra Inc.	Dec. '91	1.35	10.68
75	4	Shato Holdings Ltd.	Mar. '92	1.23	175.73
76	82	Brown Derby Inc.	May '91	0.87	0.81
77	83	Wilshire Restaurant Group	Dec. '91	0.09	0.77
78	81	Metromedia Steakhouses, Inc.	Feb. '92	0.07	0.90
79	53	Shoney's Inc.	Oct. '91	0.01	6.61
80	87	Frisch's Restaurants Inc.	June '92	0.00	– 0.54
81	63	Riese Organization	April '92	0.00	4.17
82	65	Servam Inc.	Mar. '92	0.00	3.77
83	80	Southland Corp.	Dec. '91	0.00	1.21
84	86	The Circle K Corp.	April '92	0.00	0.37
85	44	Waffle House Inc.	June '92	0.00	8.33
86	96	Domino's Pizza Inc.	Dec. '91	– 0.24	– 7.78
87	56	Gilbert/Robinson Inc.	Dec. '91	– 0.43	5.85
88	97	Harry M. Stevens Inc.	Dec. '91	– 1.19	– 7.89
89	84	Nestle S.A.	Dec. '91	– 1.75	0.49
90	13	RPM Pizza Inc.	Dec. '91	– 2.34	21.90
91	93	Tennessee Restaurant Co.	Dec. '91	– 2.51	– 4.24
92	69	Papa Gino's of America Inc.	Sept. '91	– 2.53	3.28
93	55	Wyatt Cafeterias Inc.	Dec. '91	– 2.72	6.18
94	98	Marriott Corp.	Dec. '91	– 3.89	– 9.50
95	88	Furr's/Bishop's Cafeterias L.P.	Dec. '91	– 4.56	– 0.91
96	19	Caterair International	Dec. '91	– 4.99	15.08
97	92	Promus Cos.	Dec. '91	– 9.32	– 4.02
98	38	Al Copeland Enterprises	Dec. '91	– 12.37	8.99
99	18	DWG Corp.	Dec. '91	– 18.67	15.22
100	99	Greenleaf Ventures Inc.	Oct. '91	– 43.73	– 15.28

*Projected
Source: NRN Research

TOP 100 CHAINS RANKED BY SALES PER UNIT

(same store sales averages exclude new and closed outlets and may not add to systemwide totals)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, In Thousands)		
				Current*	Last Full	Prior
1	1	Disney theme parks and hotels	Sept. '91	$151,390.0	$143,770.0	$144,000.0
2	2	Sky Chefs	Dec. '91	12,380.0	11,320.0	11,100.0
3	4	Marriott In-Flite	Dec. '91	9,100.0	8,400.0	8,400.0
4	3	Westin Hotels	Dec. '91	9,100.0	8,740.0	8,400.0
5	5	Dobbs International	Dec. '91	6,100.0	5,880.0	6,020.0
6	6	Concession Air	Dec. '91	4,647.0	4,510.0	4,340.0
7	7	Sheraton Hotels	Dec. '91	4,029.0	3,842.0	3,423.0
8	8	Hilton Hotels	Dec. '91	3,873.0	3,689.0	3,530.0
9	9	Hyatt Hotels	Jan. '92	3,812.0	3,673.0	3,504.0
10	10	Marriott Hotels & Resorts	Dec. '91	3,631.0	3,526.0	3,351.0
11	11	T.G.I. Friday's	Dec. '91	3,500.0	3,450.0	3,300.0
12	12	Sportservice	Dec. '91	3,170.0	3,010.0	3,030.0
13	13	Red Lobster	May '92	3,000.0	3,000.0	2,990.0
14	14	Cracker Barrel	Aug. '91	2,920.0	2,820.0	2,520.0
15	15	Olive Garden	May '92	2,884.0	2,800.0	2,700.0
16	16	Stuart Anderson's Black Angus	Dec. '91	2,679.0	2,635.0	2,571.0
17	21	Radisson Hotels	Dec. '91	2,350.0	2,270.0	2,000.0
18	18	Luby's Cafeteria	Aug. '91	2,300.0	2,400.0	2,400.0
19	19	Ogden Allied Ent. Servs.	Dec. '91	2,300.0	2,400.0	2,800.0
20	20	Ryan's Family Steak House	Dec. '91	2,300.0	2,300.0	2,270.0
21	17	Chi-Chi's	Sept. '91	2,270.0	2,400.0	2,517.0
22	22	El Torito	Dec. '91	2,269.0	2,246.0	2,178.0
23	23	Chili's Grill & Bar	June '92	2,260.0	2,200.0	2,120.0
24	24	Bennigan's	June '92	2,117.0	2,059.3	2,112.1
25	25	Piccadilly	June '92	2,000.0	2,000.0	2,000.0
26	27	Morrison's	May '92	1,912.0	1,820.0	1,795.0
27	28	Ruby Tuesday	May '92	1,900.0	1,800.0	1,700.0
28	29	Tony Roma's - A Place for Ribs	Feb. '92	1,800.0	1,800.0	1,700.0
29	26	Furr's Cafeterias	Dec. '91	1,770.0	1,840.0	1,850.0
30	31	McDonald's	Dec. '91	1,684.0	1,656.0	1,621.0
31	30	Applebee's Neighborhood Grill	Dec. '91	1,681.0	1,656.0	1,550.0
32	34	Bakers Square	Oct. '91	1,650.0	1,555.0	1,424.0
33	32	Marie Callender's	Dec. '91	1,650.0	1,650.0	1,650.0
34	33	Sizzler	Apr. '92	1,600.0	1,600.0	1,600.0
35	35	Shoney's	Oct. '91	1,560.0	1,538.0	1,451.0
36	37	Bob Evans Farms	Apr. '92	1,500.0	1,450.0	1,400.0
37	36	Ground Round	Dec. '91	1,500.0	1,465.0	1,400.0
38	38	Steak and Ale	June '92	1,427.2	1,372.3	1,407.5
39	39	Quincy's	Dec. '91	1,300.0	1,300.0	1,200.0
40	40	Show Biz/Chuck E. Cheese's	Dec. '91	1,296.0	1,252.0	1,199.0
41	43	White Castle	Dec. '91	1,283.0	1,166.0	1,111.0
42	41	Perkins Family Restaurants	Dec. '91	1,253.0	1,247.0	1,237.0
43	42	Denny's	Dec. '91	1,200.0	1,200.0	1,100.0
44	44	Big Boy	Dec. '91	1,185.0	1,150.0	1,125.0
45	46	Village Inn	Oct. '91	1,160.0	1,093.0	1,054.0
46	45	Carl's Jr.	Jan. '92	1,150.0	1,116.0	1,051.0
47	47	Burger King	Sept. '91	1,112.0	1,082.8	1,063.2
48	55	Golden Corral	Dec. '91	1,052.0	947.0	943.0
49	48	Marriott Mgmt. Servs.	Dec. '91	1,046.0	1,063.0	1,057.3
50	49	Jack in the Box	Sept. '91	1,040.0	1,020.0	931.0
51	53	Hardee's	Dec. '91	1,032.0	956.0	923.0
52	52	Seller Corp.	Aug. '91	1,010.0	975.0	886.0
53	51	Host International	Dec. '91	997.0	992.0	1,020.0
54	50	Ponderosa	Feb. '92	995.0	995.0	986.1
55	54	Western Sizzlin'	Dec. '91	970.0	950.0	918.5
56	57	ServiceMaster Food Mgmt. Servs.	Dec. '91	964.3	902.0	890.6
57	56	Bonanza	Feb. '92	950.0	940.0	940.0
58	61	Six Flags amusement parks	Dec. '91	904.8	823.4	803.5
59	58	Krystal	Dec. '91	898.0	860.0	830.0
60	64	Taco Bell	Dec. '91	886.0	771.0	686.0
61	63	International House of Pancakes	Dec. '91	840.0	801.0	754.0
62	62	Wendy's	Dec. '91	827.0	811.0	789.0
63	59	Rally's	Dec. '91	800.0	852.0	922.0
64	68	The Wood Co.	Dec. '91	752.4	684.5	608.0
65	65	KFC	Dec. '91	750.9	729.0	689.0
66	76	Service America	Mar. '92	733.0	632.0	624.0
67	60	Canteen Corp.	Dec. '91	730.0	835.0	857.0
68	72	Morrison Custom Mgmt.	May '92	722.6	665.7	641.3
69	66	Popeye's Chicken	Oct. '91	720.0	714.7	710.0
70	70	Chick-fil-A	Dec. '91	710.0	681.0	661.0
71	67	Whataburger	Dec. '91	698.2	700.2	668.1
72	69	Ramada Inn	Dec. '91	690.6	682.7	660.8
73	71	Captain D's Seafood	Oct. '91	667.0	667.0	660.0
74	73	Rax	July '91	662.0	658.0	640.0
75	75	Friendly's Restaurants	Dec. '91	650.0	640.0	665.0
76	77	Restaura, Inc.	Dec. '91	650.0	628.3	644.6
77	74	ARA Services/ARASERVE	Sept. '91	649.0	646.5	618.4
78	85	Del Taco	Dec. '91	622.0	520.0	515.0
79	78	Pizza Hut	Dec. '91	600.0	600.0	600.0
80	81	Dobbs Houses	Dec. '91	577.5	579.0	542.7
81	84	Long John Silver's	June '92	556.4	545.5	539.1
82	82	Round Table Pizza	June '92	556.0	555.0	545.0
83	79	Dunkin' Donuts	Feb. '92	536.3	596.7	503.4
84	83	Sbarro, The Italian Eatery	Dec. '91	536.0	547.0	513.0
85	80	Arby's	Dec. '91	535.0	596.0	578.0
86	86	Domino's Pizza	Dec. '91	505.7	505.6	499.2
87	87	Godfather's Pizza	May '92	505.0	493.0	464.0
88	88	Sonic Drive-In	Nov. '91	493.0	446.0	395.0
89	89	Little Caesars Pizza	Dec. '91	470.0	440.0	437.0
90	90	Dairy Queen	Nov. '91	435.0	430.0	421.7
91	91	Church's Fried Chicken	Oct. '91	425.0	420.0	415.0
92	94	Gardner Merchant Food Servs.	Jan. '92	400.0	350.0	300.0
93	92	Waffle House	June '92	398.6	391.4	394.9
94	93	Holiday Inns	Dec. '91	377.6	363.7	346.4
95	96	Subway	Dec. '91	260.0	215.7	198.0
96	95	Baskin-Robbins	Feb. '92	236.0	222.0	222.0
97	98	K mart	Jan. '92	194.7	181.7	180.6
98	97	TCBY	Nov. '91	177.0	199.0	232.0
99	99	7-Eleven	Dec. '91	157.0	157.0	139.0
100	100	Circle K	Oct. '92	85.0	84.8	70.2

*Projected
Source: NRN Research

TOP 100 CHAINS RANKED BY GROWTH IN SALES PER UNIT

(year-to-year percentage change)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	'91 vs. '90*	'90 vs. '89
1	15	Subway	Dec. '91	20.54%	8.94%
2	69	Del Taco	Dec. '91	19.62	0.97
3	64	Service America	Mar. '92	15.98	1.28
4	8	Taco Bell	Dec. '91	14.92	12.39
5	3	Gardner Merchant Food Services	Jan. '92	14.29	16.67
6	76	Golden Corral	Dec. '91	11.09	0.42
7	6	Sonic Drive – in	Nov. '91	10.54	12.91
8	29	White Castle	Dec. '91	10.03	4.95
9	7	The Wood Co.	Dec. '91	9.92	12.58
10	54	Six Flags amusement parks	Dec. '91	9.89	2.48
11	57	Sky Chefs	Dec. '91	9.36	1.98
12	39	Morrison Custom Management	May '92	8.55	3.80
13	82	Marriott In-Flite	Dec. '91	8.33	0.00
14	44	Hardee's	Dec. '91	7.95	3.58
15	74	Kmart	Jan. '92	7.15	0.61
16	65	ServiceMaster Food Management Servs.	Dec. '91	6.91	1.28
17	72	Little Caesars Pizza	Dec. '91	6.82	0.69
18	78	Baskin – Robbins	Feb. '92	6.31	0.00
19	42	Village Inn	Oct. '91	6.13	3.70
20	13	Bakers Square	Oct. '91	6.11	9.20
21	24	Ruby Tuesday	May '92	5.56	5.88
22	88	Sportservice	Dec. '91	5.32	– 0.66
23	86	Disney theme parks and hotels	Sept. '91	5.30	– 0.16
24	61	Morrison's	May '92	5.05	1.39
25	35	Hilton Hotels	Dec. '91	4.99	4.50
26	21	International House of Pancakes	Dec. '91	4.87	6.23
27	9	Sheraton Hotels	Dec. '91	4.87	12.24
28	43	Krystal	Dec. '91	4.42	3.61
29	50	Chick-fil-A	Dec. '91	4.26	3.03
30	37	Westin Hotels	Dec. '91	4.12	4.05
31	92	Steak and Ale	June '92	4.00	– 2.50
32	28	Holiday Inns	Dec. '91	3.82	4.99
33	30	Hyatt Hotels	Jan. '92	3.78	4.82
34	90	Dobbs International	Dec. '91	3.74	– 2.33
35	11	Seiler Corp.	Aug. '91	3.59	10.05
36	10	Cracker Barrel	Aug. '91	3.55	11.90
37	4	Radisson Hotels	Dec. '91	3.52	13.50
38	36	Show Biz/Chuck E. Cheese's	Dec. '91	3.51	4.42
39	93	Restaura	Dec. '91	3.45	– 2.53
40	45	Bob Evans Farms	Apr. '92	3.45	3.57
41	22	Carl's Jr.	Jan. '92	3.05	6.18
42	55	Big Boy	Dec. '91	3.04	2.22
43	38	Concession Air	Dec. '91	3.04	3.92
44	26	KFC	Dec. '91	3.00	5.81
45	41	Olive Garden	May '92	3.00	3.70
46	27	Marriott Hotels & Resorts	Dec. '91	2.98	5.22
47	91	Bennigan's	June '92	2.80	– 2.50
48	40	Chili's Grill & Bar	June '92	2.73	3.77
49	59	Burger King	Sept. '91	2.70	1.84
50	20	Godfather's Pizza	May '92	2.43	6.25
51	32	Ground Round	Dec. '91	2.39	4.64
52	46	Western Sizzlin'	Dec. '91	2.11	3.43
53	67	Long John Silver's	June '92	2.00	1.19
54	52	Wendy's	Dec. '91	1.97	2.79
55	12	Jack in the Box	Sept. '91	1.96	9.56
56	89	Waffle House	June '92	1.84	– 0.89
57	56	McDonald's	Dec. '91	1.69	2.16
58	53	Stuart Anderson's Black Angus	Dec. '91	1.67	2.49
59	96	Friendly's Restaurants	Dec. '91	1.56	– 3.76
60	17	Applebee's Neighborhood Grill & Bar	Dec. '91	1.51	6.84
61	33	T.G.I. Friday's	Dec. '91	1.45	4.55
62	23	Shoney's	Oct. '91	1.43	6.00
63	66	Church's Fried Chicken	Oct. '91	1.19	1.20
64	58	Dairy Queen	Nov. '91	1.16	1.97
65	47	Ramada Inn	Dec. '91	1.16	3.31
66	79	Bonanza	Feb. '92	1.06	0.00
67	48	El Torito	Dec. '91	1.02	3.12
68	73	Popeye's Chicken	Oct. '91	0.74	0.66
69	51	Rax	July '91	0.61	2.81
70	95	Host International	Dec. '91	0.50	– 2.75
71	71	Perkins Family Restaurants	Dec. '91	0.48	0.81
72	34	ARA Services/ARASERVE	Sept. '91	0.39	4.54
73	1	Circle K	Oct. '92	0.24	20.80
74	60	Round Table Pizza	June '92	0.18	1.83
75	63	Domino's Pizza	Dec. '91	0.02	1.28
76	5	7-Eleven	Dec. '91	0.00	12.95
77	68	Captain D's Seafood	Oct. '91	0.00	1.06
78	14	Denny's	Dec. '91	0.00	9.09
79	81	Marie Callender's	Dec. '91	0.00	0.00
80	83	Piccadilly	June '92	0.00	0.00
81	84	Pizza Hut	Dec. '91	0.00	0.00
82	70	Ponderosa	Feb. '92	0.00	0.90
83	16	Quincy's	Dec. '91	0.00	8.33
84	77	Red Lobster	May '92	0.00	0.33
85	62	Ryan's Family Steak House	Dec. '91	0.00	1.32
86	85	Sizzler	Apr. '92	0.00	0.00
87	25	Tony Roma's — A Place for Ribs	Feb. '92	0.00	5.88
88	18	Dobbs Houses	Dec. '91	– 0.26	6.69
89	31	Whataburger	Dec. '91	– 0.29	4.80
90	75	Marriott Management Services	Dec. '91	– 1.60	0.54
91	19	Sbarro, The Italian Eatery	Dec. '91	– 2.01	6.63
92	87	Furr's Cafeterias	Dec. '91	– 3.80	– 0.54
93	80	Luby's Cafeteria	Aug. '91	– 4.17	0.00
94	100	Ogden Allied Entertainment Services	Dec. '91	– 4.17	–14.29
95	97	Chi-Chi's	Sept. '91	– 5.42	– 4.65
96	98	Rally's	Dec. '91	– 6.10	– 7.59
97	2	Dunkin' Donuts	Feb. '92	–10.12	18.53
98	49	Arby's	Dec. '91	–10.23	3.11
99	99	TCBY	Nov. '91	–11.06	–14.22
100	94	Canteen Corp.	Dec. '91	–12.57	– 2.57

*Projected
Source: NRN Research

TOP 100 CHAINS RANKED BY CURRENT-YEAR TOTAL NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Current (Year-End Projection)			Last Full Year			Prior Year		
				Total	(Company -	Franchise)	Total	(Company -	Franchise)	Total	(Company -	Franchise)
1	1	McDonald's	Dec. '91	8,692	1,559	7,133	8,472	1,632	6,796	8,270	1,751	6,519
2	2	Pizza Hut	Dec. '91	6,800	3,400	3,400	6,500	3,300	3,200	6,200	3,100	3,100
3	3	7-Eleven	Dec. '91	5,943	2,885	3,058	5,943	2,885	3,058	6,632	3,519	3,113
4	7	Subway	Dec. '91	5,752	5	5,747	4,707	10	4,697	3,915	20	3,895
5	4	Burger King	Sept. '91	5,655	926	4,729	5,427	875	4,552	5,358	796	4,562
6	6	Domino's Pizza	Dec. '91	5,219	1,222	3,997	5,003	1,168	3,835	4,831	1,347	3,484
7	5	KFC	Dec. '91	5,010	1,785	3,225	5,006	1,389	3,617	4,937	1,340	3,597
8	8	Dairy Queen	Nov. '91	4,630	5	4,625	4,622	5	4,617	4,627	5	4,622
9	9	Hardee's	Dec. '91	4,240	1,205	3,035	4,022	1,105	2,917	3,291	1,086	2,205
10	10	Circle K	Oct. '92	3,859	3,796	63	3,859	3,796	63	4,631	4,568	63
11	13	Little Caesars Pizza	Dec. '91	3,600	2,750	850	3,173	2,378	795	2,700	1,996	704
12	11	Wendy's	Dec. '91	3,595	1,086	2,509	3,520	1,061	2,459	3,490	1,031	2,459
13	12	Taco Bell	Dec. '91	3,485	1,961	1,524	3,227	1,851	1,376	3,082	1,757	1,325
14	14	ARA Services/ARASERVE	Sept. '91	2,700	2,700	0	2,600	2,600	0	2,550	2,550	0
15	15	Arby's	Dec. '91	2,382	262	2,120	2,301	249	2,052	2,139	214	1,925
16	16	Marriott Management Services	Dec. '91	2,303	2,303	0	2,200	2,200	0	2,005	2,005	0
17	17	[illegible]skin-Robbins	Feb. '92	2,265	28	2,237	2,176	59	2,117	2,369	55	2,314
18	21	Dunkin' Donuts	Feb. '92	2,014	2	2,012	1,729	2	1,727	1,519	8	1,511
19	19	K mart	Jan. '92	1,910	1,910	0	1,800	1,800	0	1,730	1,730	0
20	18	TCBY	Nov. '91	1,800	180	1,620	1,847	170	1,677	1,582	149	1,433
21	22	Canteen Corp.	Dec. '91	1,653	1,653	0	1,641	1,641	0	1,634	1,634	0
22	23	Holiday Inns	Dec. '91	1,578	177	1,401	1,578	177	1,401	1,582	176	1,406
23	20	Service America	Mar. '92	1,500	1,500	0	1,740	1,740	0	1,700	1,700	0
24	24	Long John Silver's	June '92	1,452	997	455	1,452	997	455	1,434	980	454
25	25	Denny's	Dec. '91	1,295	991	304	1,294	992	302	1,274	1,001	273
26	27	Sonic Drive-In	Nov. '91	1103	75	1028	1057	70	987	1012	65	947
27	28	Jack in the Box	Sept. '91	1,091	694	397	1,035	650	385	986	605	381
28	26	Church's Fried Chicken	Oct. '91	1,042	684	358	1,059	694	365	1,111	707	404
29	29	Big Boy	Dec. '91	963	143	820	946	140	806	915	136	779
30	32	Popeye's Chicken	Oct. '91	805	130	675	778	129	649	739	113	626
31	30	Morrison Custom Management	May '92	801	801	0	812	812	0	828	828	0
32	31	Friendly's Restaurants	Dec. '91	775	775	0	795	795	0	824	824	0
33	33	Ponderosa	Feb. '92	775	400	375	740	400	340	704	397	307
34	34	Shoney's	Oct. '91	760	305	455	720	293	427	680	280	400
35	35	Waffle House	June '92	700	315	385	700	315	385	685	315	370
36	36	Host International	Dec. '91	669	669	0	647	647	0	600	600	0
37	37	Sizzler	Apr. '92	648	248	400	631	238	393	628	209	419
38	38	Captain D's Seafood	Oct. '91	640	360	280	628	357	271	607	348	259
39	39	Carl's Jr.	Jan. '92	613	444	169	573	424	149	540	454	86
40	42	Ramada Inn	Dec. '91	600	0	600	508	0	508	498	0	498
41	41	Gardner Merchant Food Services	Jan. '92	575	575	0	510	510	0	415	415	0
42	40	Round Table Pizza	June '92	570	0	570	560	0	560	550	0	550
43	48	Sbarro, The Italian Eatery	Dec. '91	537	408	129	457	348	109	384	291	93
44	45	Red Lobster	May '92	520	520	0	502	502	0	460	460	0
45	43	Godfather's Pizza	May '92	512	163	349	506	165	341	519	173	346
46	46	International House of Pancakes	Dec. '91	491	65	426	490	61	429	480	56	424
47	44	Bonanza	Feb. '92	475	2	473	502	2	500	510	2	508
48	47	Whataburger	Dec. '91	475	296	179	475	296	179	438	274	164
49	52	Chick-fil-A	Dec. '91	465	465	0	441	441	0	411	411	0
50	50	Golden Corral	Dec. '91	450	385	65	445	397	48	501	490	11
51	55	Perkins Family Restaurants	Dec. '91	432	118	314	399	113	286	371	114	257
52	53	Del Taco	Dec. '91	424	300	124	423	299	124	424	300	124
53	51	Western Sizzlin'	Dec. '91	415	5	410	445	5	440	514	0	514
54	58	Marriott Hotels & Resorts	Dec. '91	404	349	55	380	325	55	330	277	53
55	57	Dobbs Houses	Dec. '91	400	400	0	380	380	0	363	363	0
56	56	Restaura	Dec. '91	400	400	0	382	382	0	408	408	0
57	54	Seiler Corp.	Aug. '91	400	400	0	400	400	0	395	395	0
58	49	Rax	July '91	358	105	253	454	151	303	498	140	358
59	64	Rally's	Dec. '91	332	116	216	257	93	164	192	73	119
60	59	The Wood Co.	Dec. '91	315	315	0	290	290	0	284	284	0
61	66	Olive Garden	May '92	303	303	0	253	253	0	200	200	0
62	60	Sheraton Hotels	Dec. '91	290	54	236	281	52	229	264	48	216
63	61	Show Biz/Chuck E. Cheese's	Dec. '91	284	160	124	267	144	123	257	130	127
64	69	Chili's Grill & Bar	June '92	280	225	55	243	197	46	211	174	37
65	62	ServiceMaster Food Management Services	Dec. '91	280	280	0	265	265	0	256	256	0
66	65	Bob Evans Farms	Apr. '92	275	275	0	255	255	0	241	241	0
67	63	Hilton Hotels	Dec. '91	268	51	217	259	49	210	251	47	204
68	67	White Castle	Dec. '91	260	260	0	252	252	0	245	245	0
69	68	Six Flags amusement parks	Dec. '91	245	245	0	245	245	0	245	245	0
70	71	Chi-Chi's	Sept. '91	243	176	67	230	164	66	208	144	64
71	70	Krystal	Dec. '91	237	232	5	235	232	3	229	229	0
72	72	Village Inn	Oct. '91	227	121	106	228	124	104	234	133	101
73	73	Bennigan's	June '92	223	223	0	223	223	0	223	223	0
74	74	Quincy's	Dec. '91	219	219	0	212	212	0	213	213	0
75	75	Ground Round	Dec. '91	203	154	49	199	154	45	192	155	37
76	79	Applebee's Neighborhood Grill & Bar	Dec. '91	182	25	157	160	27	133	113	18	95
77	77	Bakers Square	Oct. '91	180	180	0	167	167	0	159	159	0
78	81	T.G.I. Friday's	Dec. '91	180	130	50	159	122	37	148	126	22
79	80	Ryan's Family Steak House	Dec. '91	175	140	35	159	126	33	141	110	31
80	83	Radisson Hotels	Dec. '91	170	29	141	154	27	127	142	25	117
81	76	Morrison's	May '92	168	168	0	171	171	0	174	174	0
82	78	Marie Callender's	Dec. '91	162	62	100	161	61	100	156	58	98
83	84	Piccadilly	June '92	160	160	0	152	152	0	147	147	0
84	86	Ruby Tuesday	May '92	159	159	0	134	134	0	109	109	0
85	82	Steak and Ale	June '92	158	158	0	158	158	0	158	158	0
86	85	Luby's Cafeteria	Aug. '91	150	150	0	137	137	0	124	124	0
87	87	Furr's Cafeterias	Dec. '91	125	125	0	125	125	0	125	125	0
88	89	Tony Roma's - A Place for Ribs	Feb. '92	121	17	104	116	16	100	103	15	88
89	88	El Torito	Dec. '91	118	111	7	117	111	6	113	109	4
90	91	Ogden Allied Entertainment Services	Dec. '91	108	108	0	102	102	0	80	80	0
91	92	Cracker Barrel	Aug. '91	106	106	0	88	88	0	73	73	0
92	90	Hyatt Hotels	Jan. '92	106	106	0	108	108	0	101	101	0
93	93	Stuart Anderson's Black Angus	Dec. '91	86	86	0	84	84	0	84	84	0
94	94	Sportservice	Dec. '91	77	77	0	75	75	0	69	69	0
95	95	Marriott In-Flite	Dec. '91	67	67	0	68	68	0	66	66	0
96	96	Dobbs International	Dec. '91	52	52	0	52	52	0	46	46	0
97	97	Concession Air	Dec. '91	47	47	0	47	47	0	45	45	0
98	98	Sky Chefs	Dec. '91	37	37	0	39	39	0	38	38	0
99	99	Westin Hotels	Dec. '91	34	34	0	33	33	0	34	34	0
100	100	Disney theme parks and hotels	Sept. '91	13	13	0	13	13	0	11	11	0
		TOTAL:		117,045	52,043	65,002	112,592	50,270	62,278	109,314	50,112	59,202

Source: NRN Research

TOP 100 CHAINS
RANKED BY GROWTH IN TOTAL NUMBER OF U.S. UNITS

(year-to-year percentage change)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Percentage Change	
				'91 vs. '90	'90 vs. '89
1	2	Rally's	Dec. '91	29.18%	33.85%
2	9	Subway	Dec. '91	22.20	20.23
3	8	Cracker Barrel	Aug. '91	20.45	20.55
4	4	Olive Garden	May '92	19.76	26.50
5	5	Ruby Tuesday	May '92	18.66	22.94
6	66	Ramada Inn	Dec. '91	18.11	2.01
7	10	Sbarro, The Italian Eatery	Dec. '91	17.51	19.01
8	16	Dunkin' Donuts	Feb. '92	16.48	13.82
9	14	Chili's Grill & Bar	June '92	15.23	15.17
10	1	Applebee's Neighborhood Grill & Bar	Dec. '91	13.75	41.59
11	12	Little Caesars Pizza	Dec. '91	13.46	17.52
12	30	T.G.I. Friday's	Dec. '91	13.21	7.43
13	6	Gardner Merchant Food Services	Jan. '92	12.75	22.89
14	25	Radisson Hotels	Dec. '91	10.39	8.45
15	18	Ryan's Family Steak House	Dec. '91	10.06	12.77
16	21	Luby's Cafeteria	Aug. '91	9.49	10.48
17	64	The Wood Co.	Dec. '91	8.62	2.11
18	29	Perkins Family Restaurants	Dec. '91	8.27	7.55
19	42	Taco Bell	Dec. '91	8.00	4.70
20	36	Bob Evans Farms	Apr. '92	7.84	5.81
21	39	Bakers Square	Oct. '91	7.78	5.03
22	34	Carl's Jr.	Jan. '92	6.98	6.11
23	47	Show Biz/Chuck E. Cheese's	Dec. '91	6.37	3.89
24	15	Marriott Hotels & Resorts	Dec. '91	6.32	15.15
25	46	K mart	Jan. '92	6.11	4.05
26	3	Ogden Allied Entertainment Services	Dec. '91	5.88	27.50
27	51	ServiceMaster Food Mgmt. Servs.	Dec. '91	5.66	3.52
28	20	Chi-Chi's	Sept. '91	5.65	10.58
29	35	Shoney's	Oct. '91	5.56	5.88
30	31	Chick-fil-A	Dec. '91	5.44	7.30
31	7	Hardee's	Dec. '91	5.42	22.21
32	40	Jack in the Box	Sept. '91	5.41	4.97
33	43	Dobbs Houses	Dec. '91	5.26	4.68
34	53	Piccadilly	June '92	5.26	3.40
35	38	Ponderosa	Feb. '92	4.73	5.11
36	94	Restaura	Dec. '91	4.71	– 6.37
37	22	Marriott Management Services	Dec. '91	4.68	9.73
38	41	Pizza Hut	Dec. '91	4.62	4.84
39	44	Sonic Drive-In	Nov. '91	4.35	4.45
40	49	Domino's Pizza	Dec. '91	4.32	3.56
41	19	Tony Roma's—A Place for Ribs	Feb. '92	4.31	12.62
42	71	Burger King	Sept. '91	4.20	1.29
43	95	Baskin-Robbins	Feb. '92	4.09	– 8.15
44	67	ARA Services/ARASERVE	Sept. '91	3.85	1.96
45	23	Red Lobster	May '92	3.59	9.13
46	28	Arby's	Dec. '91	3.52	7.57
47	56	Hilton Hotels	Dec. '91	3.47	3.19
48	37	Popeye's Chicken	Oct. '91	3.47	5.28
49	27	Host International	Dec. '91	3.40	7.83
50	85	Quincy's	Dec. '91	3.30	– 0.47
51	33	Sheraton Hotels	Dec. '91	3.20	6.44
52	58	White Castle	Dec. '91	3.17	2.86
53	91	Westin Hotels	Dec. '91	3.03	– 2.94
54	75	Sizzler	Apr. '92	2.69	0.48
55	24	Sportservice	Dec. '91	2.67	8.70
56	61	McDonald's	Dec. '91	2.60	2.44
57	81	Stuart Anderson's Black Angus	Dec. '91	2.38	0.00
58	74	Wendy's	Dec. '91	2.13	0.86
59	48	Ground Round	Dec. '91	2.01	3.65
60	52	Captain D's Seafood	Oct. '91	1.91	3.46
61	54	Big Boy	Dec. '91	1.80	3.39
62	68	Round Table Pizza	June '92	1.79	1.82
63	89	Godfather's Pizza	May '92	1.19	– 2.50
64	98	Golden Corral	Dec. '91	1.12	–11.18
65	50	El Torito	Dec. '91	0.85	3.54
66	60	Krystal	Dec. '91	0.85	2.62
67	76	Canteen Corp.	Dec. '91	0.73	0.43
68	55	Marie Callender's	Dec. '91	0.62	3.21
69	83	Del Taco	Dec. '91	0.24	– 0.24
70	65	International House of Pancakes	Dec. '91	0.20	2.08
71	82	Dairy Queen	Nov. '91	0.17	– 0.11
72	70	KFC	Dec. '91	0.08	1.40
73	69	Denny's	Dec. '91	0.08	1.57
74	97	7-Eleven	Dec. '91	0.00	–10.39
75	77	Bennigan's	June '92	0.00	0.00
76	100	Circle K	Oct. '92	0.00	–16.67
77	45	Concession Air	Dec. '91	0.00	4.44
78	11	Disney theme parks and hotels	Sept. '91	0.00	18.18
79	17	Dobbs International	Dec. '91	0.00	13.04
80	78	Furr's Cafeterias	Dec. '91	0.00	0.00
81	84	Holiday Inns	Dec. '91	0.00	– 0.25
82	73	Long John Silver's	June '92	0.00	1.26
83	72	Seiler Corp.	Aug. '91	0.00	1.27
84	79	Six Flags amusement parks	Dec. '91	0.00	0.00
85	80	Steak and Ale	June '92	0.00	0.00
86	63	Waffle House	June '92	0.00	2.19
87	26	Whataburger	Dec. '91	0.00	8.45
88	90	Village Inn	Oct. '91	– 0.44	– 2.56
89	88	Morrison Custom Management	May '92	– 1.35	– 1.93
90	57	Marriott In-Flite	Dec. '91	– 1.47	3.03
91	93	Church's Fried Chicken	Oct. '91	– 1.61	– 4.68
92	87	Morrison's	May '92	– 1.75	– 1.72
93	32	Hyatt Hotels	Jan. '92	– 1.85	6.93
94	92	Friendly's Restaurants	Dec. '91	– 2.52	– 3.52
95	13	TCBY	Nov. '91	– 2.54	16.75
96	59	Sky Chefs	Dec. '91	– 5.13	2.63
97	86	Bonanza	Feb. '92	– 5.38	– 1.57
98	99	Western Sizzlin'	Dec. '91	– 6.74	–13.42
99	62	Service America	Mar. '92	–13.79	2.35
100	96	Rax	July '91	–21.15	– 8.84

*Projected
Source: NRN Research

TOP 100 CHAINS RANKED BY GROWTH IN U.S. FRANCHISE UNITS

(year-to-year percentage change)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Projected Total Units	Franchise Units	Franch. Unit % Change '91 vs. '90	Franch. Unit % Change '90 vs. '89
1	60	Krystal	Dec. '91	237	5	66.67	*
2	1	Golden Corral	Dec. '91	450	65	35.42	336.36
3	3	T.G.I. Friday's	Dec. '91	180	50	35.14	68.18
4	6	Rally's	Dec. '91	332	216	31.71	37.82
5	10	Subway	Dec. '91	5,752	5,747	22.35	20.59
6	8	Chili's Grill & Bar	June '92	280	55	19.57	24.32
7	11	Sbarro, The Italian Eatery	Dec. '91	537	129	18.35	17.20
8	38	Ramada Inn	Dec. '91	600	600	18.11	2.01
9	5	Applebee's Neighborhood Grill & Bar	Dec. '91	182	157	18.05	40.00
10	4	El Torito	Dec. '91	118	7	16.67	50.00
11	13	Dunkin' Donuts	Feb. '92	2,014	2,012	16.50	14.30
12	2	Carl's Jr.	Jan. '92	613	169	13.42	73.26
13	21	Radisson Hotels	Dec. '91	170	141	11.02	8.55
14	29	Taco Bell	Dec. '91	3,485	1,524	10.76	3.85
15	17	Ponderosa	Feb. '92	775	375	10.29	10.75
16	16	Perkins Family Restaurants	Dec. '91	432	314	9.79	11.28
17	9	Ground Round	Dec. '91	203	49	8.89	21.82
18	15	Little Caesars Pizza	Dec. '91	3,600	850	6.92	12.93
19	22	Shoney's	Oct. '91	760	455	6.56	6.75
20	33	Pizza Hut	Dec. '91	6,800	3,400	6.25	3.23
21	24	Ryan's Family Steak House	Dec. '91	175	35	6.06	6.45
22	56	Baskin-Robbins	Feb. '92	2,265	2,237	5.67	– 8.51
23	44	McDonald's	Dec. '91	8,692	7,133	4.96	4.25
24	19	Domino's Pizza	Dec. '91	5,219	3,997	4.22	10.07
25	27	Sonic Drive-In	Nov. '91	1103	1028	4.15	4.22
26	7	Hardee's	Dec. '91	4,240	3,035	4.05	32.29
27	31	Popeye's Chicken	Oct. '91	805	675	4.01	3.67
28	14	Tony Roma's — A Place for Ribs	Feb. '92	121	104	4.00	13.64
29	49	Burger King	Sept. '91	5,655	4,729	3.89	– 0.22
30	36	Hilton Hotels	Dec. '91	268	217	3.33	2.94
31	26	Captain D's Seafood	Oct. '91	640	280	3.32	4.63
32	23	Arby's	Dec. '91	2,382	2,120	3.31	6.60
33	41	Jack in the Box	Sept. '91	1,091	397	3.12	1.05
34	25	Sheraton Hotels	Dec. '91	290	236	3.06	6.02
35	51	Godfather's Pizza	May '92	512	349	2.35	– 1.45
36	47	Wendy's	Dec. '91	3,595	2,509	2.03	0.00
37	35	Village Inn	Oct. '91	227	106	1.92	2.97
38	39	Round Table Pizza	June '92	570	570	1.79	1.82
39	55	Sizzler	Apr. '92	648	400	1.78	– 6.21
40	32	Big Boy	Dec. '91	953	820	1.74	3.47
41	34	Chi-Chi's	Sept. '91	243	67	1.52	3.13
42	54	Show Biz/Chuck E. Cheese's	Dec. '91	284	124	0.81	– 3.15
43	18	Denny's	Dec. '91	1,295	304	0.66	10.62
44	48	Dairy Queen	Nov. '91	4,630	4,625	0.17	– 0.11
45	53	7-Eleven	Dec. '91	5,943	3,058	0.00	– 1.77
46	45	Circle K	Oct. '92	3,859	63	0.00	0.00
47	46	Del Taco	Dec. '91	424	124	0.00	0.00
48	50	Holiday Inns	Dec. '91	1,578	1,401	0.00	– 0.36
49	43	Long John Silver's	June '92	1,452	455	0.00	0.22
50	37	Marie Callender's	Dec. '91	162	100	0.00	2.04
51	30	Marriott Hotels & Resorts	Dec. '91	404	55	0.00	3.77
52	28	Waffle House	June '92	700	385	0.00	4.05
53	20	Whataburger	Dec. '91	475	179	0.00	9.15
54	40	International House of Pancakes	Dec. '91	491	426	– 0.70	1.18
55	57	Church's Fried Chicken	Oct. '91	1,042	358	– 1.92	– 9.65
56	12	TCBY	Nov. '91	1,800	1,620	– 3.40	17.03
57	52	Bonanza	Feb. '92	475	473	– 5.40	– 1.57
58	58	Western Sizzlin'	Dec. '91	415	410	– 6.82	– 14.40
59	42	KFC	Dec. '91	5,010	3,225	–10.84	0.56
60	59	Rax	July '91	358	253	–16.50	– 15.36

Note: The 40 Top 100 chains not represented on this table do not franchise.

*From '89 to '90, Krystal's franchise system grew from zero to 3 units (of its total 235 units), a growth rate inexpressible as a percentage.

Source: NRN Research

Questions and answers on the Top 100

Publication of the Top 100 issue usually tests the durability of NRN's switchboard by drawing a flood of inquiries about the rankings and how they were drafted. What follows are answers to some of the most frequently asked questions.

Q: Why wasn't my chain or company included in the listings?
A: Unless a chain generated at least $209.9 million in domestic systemwide sales, it will not appear on any of the Top 100 Chains listings. Similarly, a company had to generate at least $101.1 million in foodservice revenues — not total intake — to appear on the Top 100 Companies ranking.

Q: But my chain has more units than some of the chains included on the Top 100 ranking by number of units. Why wasn't it included on that lists?
A: Only the Top 100 chains, as ranked by systemwide sales, are ranked by such other criteria as number of units and sales per unit. In other words, the universe for those rankings is limited to those chains that appear on Top 100 Chains By Systemwide Sales ranking.

Q: My chain's per-unit sales average exceeds my competitor's averages, yet you listed them on segment rankings and omitted us. Shouldn't we be on those rankings?
A: Here again, only those chains appearing on the Top 100 chains ranking are included in the segment breakouts.

Q: My chain appears on every other industry sales rankings. How could it qualify for those and yet not make your list?
A: Each ranking uses different criteria. We believe that the Top 100 is the industry's most reliable listing because of our rigid adherence to strict standards.

Q: My company's revenues far exceed the tally for many of the chains on the Top 100 Companies ranking, and yet you omitted my concern. Why?
A: Companies were included on the Top 100 Companies list because of their foodservice revenues, not their total revenues. Proceeds from all other types of businesses — including distribution operations — were excluded from the figures.

Q: Why doesn't a chain's sales-per-unit figure, when multiplied by the number of units in the chain, always equal systemwide sales?
A: Most commonly, sales per unit is an annualized average of "comparable" outlets open for more than one year; the equation may exclude newly opened units not generating typical volumes and units that close or are sold during the year.

Q: My chain's domestic systemwide sales are indeed higher than the totals for other chains on the Top 100 Chains ranking. Why wasn't it included?
A: Perhaps it should have been. We might have overlooked during our research, or might have underestimated your growth in our projections for the coming year.

In any case, please help us avoid our mistake next year by providing us with the name and address of someone we can contact for information. Because the preparation of next year's Top 100 section will begin soon, please promptly send the information to: Top 100 Editor, Nation's Restaurant News, 425 Park Avenue, New York, N.Y. 10022.

Q: How do U.S. systemwide sales differ from revenues?
A: Systemwide sales consist of the intake in the U.S. of every company-owned and franchised outlet within a chain or multi-unit operation such as a contract feeder. Revenues are limited to a company's intake from company-run units and franchise royalties.

For example, the intake of every McDonald's unit in the United States constitutes that chain's systemwide sales. But revenues for McDonald's Corp. are limited to the intake of company unit sales and franchise royalties.

Q: What is reflected in the share-of-market figures?
A: In the segment charts, the share-of-market chart lists major players' proportion of the total sales generated only by Top 100 chains competing within that sector.

Q: Where can I write to air comments and criticisms of the Top 100 rankings?
A: Address correspondence to Top 100 Editor, Nation's Restaurant News, 425 Park Avenue, New York, N.Y. 10022.

SANDWICH CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, In Millions) Current*	Last Full	Prior
1	1	McDonald's	Dec. '91	$12,735.0	$12,251.0	$12,012.0
2	2	Burger King	Sept. '91	6,250.0	6,100.0	5,700.0
3	3	Hardee's	Dec. '91	4,346.0	4,101.0	3,362.0
4	4	Wendy's	Dec. '91	2,891.0	2,762.0	2,793.0
5	5	Taco Bell	Dec. '91	2,780.0	2,461.0	2,134.0
6	6	Dairy Queen	Nov. '91	2,010.6	1,980.0	1,938.0
7	8	Subway	Dec. '91	1,421.0	1,066.2	777.2
8	7	Arby's	Dec. '91	1,346.0	1,301.0	1,219.0
9	9	Jack in the Box	Sept. '91	1,020.0	943.2	834.0
10	10	Carl's Jr.	Jan. '92	602.1	574.4	549.3
11	11	Sonic Drive-In	Nov. '91	507.1	454.5	390.1
12	13	Whataburger	Dec. '91	318.4	309.6	300.1
13	14	White Castle	Dec. '91	308.0	297.0	282.0
14	12	Rax	July '91	288.0	319.2	334.5
15	15	Del Taco	Dec. '91	267.2	255.0	247.1
16	17	Rally's	Dec. '91	215.6	177.2	132.6
17	16	Krystal	Dec. '91	210.0	201.0	193.0
		TOTAL:		$37,516.0	$35,553.3	$33,197.9

*Projected
Source: NRN Research

SANDWICH CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, In Thousands) Current*	Last Full	Prior
1	1	McDonald's	Dec. '91	$1,684.0	$1,656.0	$1,621.0
2	2	White Castle	Dec. '91	1,283.0	1,166.0	1,111.0
3	3	Carl's Jr.	Jan. '92	1,150.0	1,116.0	1,051.0
4	4	Burger King	Sept. '91	1,112.0	1,082.8	1,063.2
5	5	Jack in the Box	Sept. '91	1,040.0	1,020.0	931.0
6	6	Hardee's	Dec. '91	1,032.0	956.0	923.0
7	7	Krystal	Dec. '91	898.0	860.0	830.0
8	10	Taco Bell	Dec. '91	886.0	771.0	686.0
9	9	Wendy's	Dec. '91	827.0	811.0	789.0
10	8	Rally's	Dec. '91	800.0	852.0	922.0
11	11	Whataburger	Dec. '91	698.2	700.2	668.1
12	12	Rax	July '91	662.0	658.0	640.0
13	14	Del Taco	Dec. '91	622.0	520.0	515.0
14	13	Arby's	Dec. '91	535.0	596.0	578.0
15	15	Sonic Drive-In	Nov. '91	493.0	446.0	395.0
16	16	Dairy Queen	Nov. '91	435.0	430.0	421.7
17	17	Subway	Dec. '91	260.0	215.7	198.0
		AVERAGE:		$ 848.1	$ 815.1	$ 784.9

*Projected
Source: NRN Research

Value war still raging in sandwich segment

(Continued from page 1)

thing that is bound to confound and startle his competitors.

"I told them we would not have to raise our prices for five years," he says. "We don't see anything that would cause us to do otherwise, and we may not have to do it then."

Expectations that the discount war will continue is the kind of talk that worries John Merritt, vice president of public affairs for Hardee's, the third-largest burger chain, with 4,200 units.

"A value menu was a good way to keep and maintain share," he explains. "But when you have falling market share — as all of us [burger chains] do because of the growth of the alternative concepts like Subway, Arby's, and Taco Bell — gaining customers is a tough proposition.

"Then you add the effects of people who are not coming out because of the recession, and it becomes a triple witching hour. We're just not making as much off of the average customer as we were two to three years ago."

Combined systemwide sales among the 17 sandwich chains in the Top 100 are expected to grow just 5.5 percent — virtually equal to the rate of inflation — to hit a category volume of $37.5 billion in 1991.

Of that amount, the big four chains — McDonald's, Burger King, Hardee's and Wendy's — are projected to garner $26.2 billion, or 70 percent.

But that rate of dominance is misleading as the Gang of Four's aggregate systemwide sales continues to soften, growing only 4 percent.

Meanwhile, Subway emerges as the Top 100's fastest-growing chain in terms of systemwide sales, with volume projected to rise 33 percent in 1991, to $1.4 billion. And knocking at the door for entry into the Big Four is Pepsico's discounting king, Taco Bell, whose systemwide sales are projected to grow 12 percent in 1991, to $2.7 billion.

Jack Goodall, chairman of Foodmaker Inc., parent company of 1,091-unit Jack In The Box, said that while the chain is also slugging it out with low prices, its strategy is not to lose its identity or stray from its market niche for the sake of low prices.

"We have today too many people going after business at any cost," he says. "One thing I've learned is that anybody can give anything away. But when a quarter to one-third of your customers have low loyalty to the brand and when everybody starts knocking each other off, you have to be clear about your identity and the niche you're in."

Segment leader McDonald's, which bucked the discounting trend by raising menu prices for three of the past four years, joined the value fray in a major shift in pricing strategy at the beginning of the year by adding nine low-priced menu items.

With same-store sales slipping, profits softening and its international markets contributing more to the company's coffers than do domestic operations, McDonald's overhauled its pricing strategy in introducing its "Low Down Menu," which seeks to boost margins by raising customer-traffic levels.

Among the "low down" changes, cheeseburgers went down to 59 cents; McD's signature burger, the Big Mac, went down to 99 cents; and most drinks fell under $1.

Just a few months earlier, Burger King had launched its Burger Buddies combo of two hamburgers for 89 cents and, later, launched Breakfast Buddies, a 59-cent breakfast sandwich that came with a disposable razor blade. While both of those products now appear only as limited-time promotions, Burger King now keeps at least some low-priced sandwiches on its menu at all times.

Not to be outdone, Hardee's kicked off its own three-for-$1 deal, selling hamburgers at 34 cents.

Meanwhile, Wendy's has quietly engineered the segment's most impressive comeback with a 99-cent value menu and an effective advertising campaign that focuses on quality and products, not price.

"We recognize that the 99-cent price point is extremely important in today's environment," explains Denny Lynch, a Wendy's spokesman. "We want to have the 99-cent price point, but we also want a balanced menu. So, you take less profits on those 99-cent items but remain healthy in the long term, with a fixed, overall pricing structure.

"What it means is that you realize you can't make a 10-percent margin on every product," Lynch adds. "You have to accept that maybe you can only get 5 percent [out] of the 99 cents, but somewhere else on your menu maybe you can get 12 percent."

But achieving margin goals in a value-oriented environment is going to be

*(See **VALUE**, page 89)*

Pizza
CHEESE $5.84
SAUSAGE OR PEPPERONI $6.83
DELUXE $9.49
MADE FRESH...AFTER 4 PM
TOSSED FRIES

One of 500 McDonald's units that are experimenting with pizza. In addition to pizza, other McD restaurants are testing skinless broiled chicken as part of the chain's continuing effort to diversify its menu.

Value war still raging in sandwich segment

(Continued from page 84)

increasingly tough for some of the larger chains, as wholesale food costs begin to rise, analyst Levy says.

"Value menus are just not feasible in a rising commodity market, and there are signs that that is beginning to happen," she explains. "Ultimately the discounting trend will have to be scaled back."

John Merritt agrees. Hardee's is "not a charitable organization," he says. "Our reason for existing is to be profitable." Sensing dire implications of pricing trends for the segment at large, Merritt notes, "With continually falling AUVs [average-unit volumes] and with rising food costs, there's bound to be a shakeout."

> Mike Mueller of Montgomery Securities said one of the most pervasive problems facing the sandwich segment is that even if the chains wanted to raise prices, consumers would bolt.

But Taco Bell's Martin claims he is unperturbed by talk of rising food costs. Even if wholesale food costs begin inflating, according to him, the systems Taco Bell has in place can still allow the chain to avoid menu price increases.

One big reason for Martin's confidence is the chain's commissary program, or "K-minus" system, which basically prepares food out of house to hold average-unit operating costs to a minimum and permit the shrinking of kitchen space in new and remodeled Taco Bell outlets.

"We expected food costs to increase," he says. "We're probably paying $600,000 more a week for lettuce and tomatoes than we were a year ago.

However, "it's nothing new about food costs rising," Martin adds, noting that his chain's value-driven traffic surges have more than offset cost increases. "We entered this strategy with the conviction that we would not have to raise prices."

Mike Mueller, an analyst with Montgomery Securities, observes that one of the most pervasive problems facing the sandwich segment is that even if the chains wanted to raise prices, consumers would bolt, sensing that there is little difference among the major players.

"Basically, these are commodity products, with not a lot of differences between them," he explains, "and it keeps the pressure on everyone to keep prices low."

But Rax Restaurants, the financially troubled sandwich chain, broke with the pack and abandoned a value menu in favor of high-end, premium sandwiches in the $5-to-$7 range.

Menu diversification

Another strategy some chains are deploying to combat slumping sales is menu diversification.

Fighting to stem soft same-store sales, McDonald's is diversifying its menu to an unprecedented degree, selling everything from carrot sticks and breakfast burritos to catfish sandwiches. The chain's well-publicized pizza test now involves nearly 500 restaurants, and McDonald's is also looking at such potential new items as skinless broiled chicken and pasta salads.

In many locales McDonald's franchisees have the option of adding regional favorites.

Hardee's, which, like McDonald's, is striving to build dinner business, is diversifying by adding its Roy Rogers-brand chicken to its menus.

But menu diversification is a mixed bag, industry players and analysts contend. On one hand, variety and novelty may bring in the curious, who are lured by promotions. But in a competitive era of lower prices, product diversity may not be a strategy that builds customer loyalty if menus become blurry smorgasbords.

"The fundamental problem is that there is less demand for [chains'] core menu," Mueller reasons. "Many companies have no choice but to diversify their menus, but the hazard is they'll watch as their service ability deteriorates because of their complex kitchen operations."

Mueller's conclusion: "More products mean slower serving speeds."

But Jack in the Box's Goodall argues that when chains are secure in their markets, the addition of new products should not be a problem.

Sticking to a formula drafted nearly 12 years ago, Jack in the Box's menu has grown through a careful selection of new products and an introduction of two to three new items a year while the chain stays carefully attuned to its identity as a fast-food provider for busy adults.

"We spend all of our resources and advertising on new products," he says. "It drives this business, and, given that we have some sort of [value] deal every day of the year, it's an effective strategy we don't plan to change.

"But I think a lot of people let this trend to change the menu get out of hand. They have one foot in the water and one foot out. People are trying to be all things to all people, and you just can't do that."

To be sure, not all the sandwich chains are diversifying their menus. Such chains as drive-thru-only specialist Rally's, small-town kingpin Dairy Queen and drive-in expert Sonic have been successful in sticking to limited, core menus. And Wendy's turnaround has largely been founded on a "back-to-basics" approach.

Wendy's Lynch says the chain was probably one of the first to suffer the pitfalls of rampant menu diversification several years ago, when it attempted to compete in the breakfast business, offered low-calorie items and lost customers.

"All we want to be known as is a place for burgers, chicken and salads," he explains.

Increasingly, nutritional concerns are playing an even greater role in menu planning as an aging customer base demands more healthful fare. While salads, skinless chicken and 100-percent vegetable oils for frying purposes were some of the short-term fixes to appease disgruntled customers last year, some chains, most notably McDonald's and Hardee's, have spent millions to develop and position low-fat burgers for future battle.

McDonald's made big news with the introduction of McLean Deluxe, the 91-percent-fat-free burger.

Hardee's responded several months later with its Real Lean Deluxe, a 100-percent beef patty.

Meanwhile, Burger King and Wendy's say they are far from introducing low-fat burger alternatives. And Wall Street indicates its belief that low-fat burgers are not the home runs the chains need.

"These lean version are only substitutes," Levy opines. "They will not bring in new customers."

SANDWICH CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	McDonald's	Dec. '91	8,692	8,472	8,270
2	3	Subway	Dec. '91	5,752	4,707	3,915
3	2	Burger King	Sept. '91	5,655	5,427	5,358
4	4	Dairy Queen	Nov. '91	4,630	4,622	4,627
5	5	Hardee's	Dec. '91	4,240	4,022	3,291
6	6	Wendy's	Dec. '91	3,595	3,520	3,490
7	7	Taco Bell	Dec. '91	3,485	3,227	3,082
8	8	Arby's	Dec. '91	2,382	2,301	2,139
9	9	Sonic Drive-In	Nov. '91	1,103	1,057	1,012
10	10	Jack in the Box	Sept. '91	1,091	1,035	986
11	11	Carl's Jr.	Jan. '92	613	573	540
12	12	Whataburger	Dec. '91	475	475	438
13	14	Del Taco	Dec. '91	424	423	424
14	13	Rax	July '91	358	454	498
15	15	Rally's	Dec. '91	332	257	192
16	16	White Castle	Dec. '91	260	252	245
17	17	Krystal	Dec. '91	237	235	229
		TOTAL:		43,324	41,059	38,736

*Projected
Source: NRN Research

SANDWICH CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of sandwich chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share Current*	Last Full	Prior
1	1	McDonald's	Dec. '91	33.95%	34.46%	36.18%
2	2	Burger King	Sept. '91	16.66	17.16	17.17
3	3	Hardee's	Dec. '91	11.58	11.53	10.13
4	4	Wendy's	Dec. '91	7.71	7.77	8.41
5	5	Taco Bell	Dec. '91	7.41	6.92	6.43
6	6	Dairy Queen	Nov. '91	5.36	5.57	5.84
7	8	Subway	Dec. '91	3.79	3.00	2.34
8	7	Arby's	Dec. '91	3.59	3.66	3.67
9	9	Jack in the Box	Sept. '91	2.72	2.65	2.51
10	10	Carl's Jr.	Jan. '92	1.60	1.62	1.65
11	11	Sonic Drive-In	Nov. '91	1.35	1.28	1.18
12	13	Whataburger	Dec. '91	0.85	0.87	0.90
13	14	White Castle	Dec. '91	0.82	0.84	0.85
14	12	Rax	July '91	0.77	0.90	1.01
15	15	Del Taco	Dec. '91	0.71	0.72	0.74
16	17	Rally's	Dec. '91	0.57	0.50	0.40
17	16	Krystal	Dec. '91	0.56	0.57	0.58
		TOTAL:		100.00%	100.00%	100.00%

*Projected
Source: NRN Research

> "I told them we would not have to raise our prices for five years. We don't see anything that would cause us to do otherwise and we may not have to do it then."
>
> — John Martin,
> Taco Bell prexy

CONTRACT CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Foodservice Sales (By Fiscal Year, In Millions)		
				Current*	Last Full	Prior
1	1	Marriott Management Services	Dec. '91	$ 2,410.0	$ 2,340.0	$ 2,120.0
2	2	ARA Services/ARASERVE	Sept. '91	1,752.4	1,680.8	1,577.0
3	3	Canteen Corp.	Dec. '91	1,220.0	1,370.0	1,400.0
4	4	Service America	Mar. '92	1,100.0	1,100.0	1,060.0
5	5	Host International	Dec. '91	667.0	642.0	610.0
6	6	Marriott In-Flite	Dec. '91	609.0	641.0	557.0
7	7	Morrison Custom Management	May '92	579.0	541.0	531.0
8	8	Sky Chefs	Dec. '91	458.0	440.0	394.0
9	9	Seiler Corp.	Aug. '91	403.5	390.0	350.0
10	10	Dobbs International	Dec. '91	317.5	301.0	277.0
11	12	ServiceMaster Food Mgmt. Servs.	Dec. '91	270.0	239.0	228.0
12	11	Ogden Allied Ent. Servs.	Dec. '91	250.0	244.5	224.0
13	13	Restaura	Dec. '91	249.0	230.0	253.0
14	14	Sportservice	Dec. '91	244.1	226.7	209.0
15	17	The Wood Co.	Dec. '91	237.0	198.3	172.7
16	15	Dobbs Houses	Dec. '91	231.0	220.0	197.0
17	18	Gardner Merchant Food Services	Jan. '92	230.0	178.0	124.0
18	16	Concession Air	Dec. '91	218.4	212.0	195.3
		TOTAL:		$11,445.9	$11,194.3	$10,479.0

*Projected
Source: NRN Research

Lehigh University students enjoy The Wood Company's Pete's Arena pizza at the on-campus club, The Stage Door. The Wood Company ranks 15th in the segment.

Contract feeders zero in on client needs

From low-fat menu rollouts to management restructuring, non-commercial feeders adopt a 'do whatever it takes' attitude to satisfy the customer

by Bill Carlino

Whether launching new lines of nationally branded or proprietary cuisine concepts, instituting service-training programs or restructuring management levels, contract feeders are going full bore in an attempt to meet client demands more efficiently.

In a segment once dominated by a "growth-through-acquisition" creed, the recent economic downturn has forced many non-commercial operators to bypass the traditional practice of swallowing smaller companies.

Instead, operators have opted for a more intensive intramural focus to ensure account quality and keep their client base from venturing toward commercial restaurants at meal times.

Contractors have shifted from acquisition coups to such operations priorities as the introduction of low-fat menu items, the establishment of point-of-service prototypes and the realignment of management in order to place decision makers closer to the segment's most important power broker — the customer.

"When you are impacted by hard economic times, your business necessitates that you alter your operating philosophy somewhat," says Malcolm Knapp, president of Malcolm Knapp Inc., a New York-based consulting and research firm. "A recession is usually followed by restructuring."

Two of the segment's larger players — Marriott Corp. and Service America — have each completed internal reorganizations, thereby intensifying their concentration on individual lines of business, while enhancing customer service.

"We decided that we were more than just a food company," Charles "Chuck" O'Dell, executive vice president and general manager of Marriott Management Services, the Washington, D.C.-based contract services division for the hospitality conglomerate. "We're really a multifaceted service management company."

Marriott took what had been two distinct contract divisions — business and facilities, and education and health care — and separated them into five separate operating groups: health care, food and nutrition services; education services; corporate services; facilities school services; and facilities management.

Over the past year Marriott Management Services also divested nearly 400 accounts; formed an international joint venture with Fintermica, an Italian management service company; and developed "La Tacoria," a soft taco program, in many of its Southwestern business and industry accounts.

To highlight a commitment to maintaining high levels of client service, the Marriott division has also created a new position, vice president of quality.

Meanwhile, Service America revamped its operating divisions or geographic "zones" into the company's three primary lines of business: dining services, vending and recreation.

In addition, the Stamford, Conn.-based company drew up a revised payment plan with GE Capital Corp., its senior creditor, and added several high-profile feeding accounts, including IBM; the Colorado Department of Corrections; and the Washington, D.C., convention center.

Service America also ventured into new foodservice "waters" — cruise ships. By virtue of a contract with the Florida-based Europa Cruise Line, Service America will oversee feeding on two boats, which specialize in six-hour charter voyages.

For Canteen Corp., 1990 and 1991 were highlighted by the company's transplant from Chicago to Spartanburg, S.C., as the contract feeder joined parent TW Service's other foodservice divisions there.

In addition to booking $115 million in new business during the year and sealing a foreign franchisee agreement with Canteen of Japan to provide foodservice in business and industry and educational accounts there, Canteen became the first non-commercial operation to join the low-fat menu fray, with its "Smart Burger."

The 91-percent-fat-free product is now a menu option in all Canteen accounts.

*(See **CONTRACT FEEDERS**, page 90)*

CONTRACT CHAINS RANKED BY SALES PER UNIT

(By Fiscal Year, in Thousands)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit Current*	Last Full	Prior
1	1	Sky Chefs	Dec. '91	$12,380.0	$11,320.0	$11,100.0
2	2	Marriott In-Flite	Dec. '91	9,100.0	8,400.0	8,400.0
3	3	Dobbs International	Dec. '91	6,100.0	5,880.0	6,020.0
4	4	Concession Air	Dec. '91	4,647.0	4,510.0	4,340.0
5	5	Sportservice	Dec. '91	3,170.0	3,010.0	3,030.0
6	6	Ogden Allied Ent. Servs.	Dec. '91	2,300.0	2,400.0	2,800.0
7	7	Marriott Management Services	Dec. '91	1,046.0	1,063.0	1,057.3
8	9	Seiler Corp.	Aug. '91	1,010.0	975.0	886.0
9	8	Host International	Dec. '91	997.0	992.0	1,020.0
10	10	ServiceMaster Food Mgmt. Servs.	Dec. '91	964.3	902.0	890.6
11	12	The Wood Co.	Dec. '91	752.4	684.5	608.0
12	15	Service America	Mar. '92	733.0	632.0	624.0
13	11	Canteen Corp.	Dec. '91	730.0	835.0	857.0
14	13	Morrison Custom Management	May '92	722.6	665.7	641.3
15	16	Restaura	Dec. '91	650.0	628.3	644.6
16	14	ARA Services/ARASERVE	Sept. '91	649.0	646.5	618.4
17	17	Dobbs Houses	Dec. '91	577.5	579.0	542.7
18	18	Gardner Merchant Food Servs.	Jan. '92	400.0	350.0	300.0
		AVERAGE:		$ 2,607.2	$ 2,470.7	$ 2,465.6

*Projected
Source: NRN Research

CONTRACT CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	ARA Services/ARASERVE	Sept. '91	2,700	2,600	2,550
2	2	Marriott Management Services	Dec. '91	2,303	2,200	2,005
3	4	Canteen Corp.	Dec. '91	1,653	1,641	1,634
4	3	Service America	Mar. '92	1,500	1,740	1,700
5	5	Morrison Custom Management	May '92	801	812	828
6	6	Host International	Dec. '91	669	647	600
7	7	Gardner Merchant Food Servs.	Jan. '92	575	510	415
8	10	Dobbs Houses	Dec. '91	400	380	363
9	9	Restaura	Dec. '91	400	382	408
10	8	Seiler Corp.	Aug. '91	400	400	395
11	11	The Wood Co.	Dec. '91	315	290	284
12	12	ServiceMaster Food Mgmt. Servs.	Dec. '91	280	265	256
13	13	Ogden Allied Ent. Servs.	Dec. '91	108	102	80
14	14	Sportservice	Dec. '91	77	75	69
15	15	Marriott In-Flite	Dec. '91	67	68	66
16	16	Dobbs International	Dec. '91	52	52	46
17	17	Concession Air	Dec. '91	47	47	45
18	18	Sky Chefs	Dec. '91	37	39	38
		TOTAL:		12,384	12,250	11,782

*Projected
Source: NRN Research

Contract feeders zero in on clients' needs

(Continued from page 89)

Joining Canteen in health-oriented offerings is Allentown, Pa.-based Wood Co. The midsized feeder unveiled "Heartland Selections," a series of menu items with limited cholesterol, sodium, saturated fats and calories.

Morrison Custom Management of Mobile, Ala., was one of the few noncommercial operators to forge ahead despite the recession.

The diversified feeder sealed a contract with Marcorp., a minority-owned firm, to build a total of 10 McDonald's units along the New York State Thruway.

Morrison's also purchased "Parties Plus," a premier upscale caterer in Los Angeles.

"We set a strategy four years ago, when we saw the downturn in B & I, not to cut corners on quality," says Joe Byrum, president of Morrison Custom Management. "Now we're seeing a resurgence in companies that want a quality foodservice program."

Charles D. O'Dell

Morrison seized that opportunity, gaining business and industry contracts for Firestone, GTE, Hertz, Texaco and Marathon Oil.

Byrum adds that MCM has recently instituted its "Feelings" program, an intensive training program for hourly employees covering all phases of customer service.

Not all of the changes contract feeders made since last year were operational.

Trumbull, Conn.-based Trusthouse Forte Food Services is now operating under a new name and new leadership.

The company, retitled Gardner Merchant Food Services Inc., adopted the name of its London-based owner Gardner Merchant Ltd.

During the year Gardner Merchant acquired Epoch Food Services, a white-collar feeder that is based in California's Silicon Valley. More recently, Gardner bought 21 business and industry accounts from Ogden Corp.

Gardner Merchant also fortified its account portfolio by gaining the feeding contracts for American Express' world headquarters and for the accounting firm of Coopers & Lybrand.

On recreational feeding fronts, a new player appeared on the segment's horizon as Marriott Corp. unveiled its sports and entertainment division — a stadium and arena feeding spin-off of the company's Host International subsidiary.

The new entity promptly garnered the contract for Dodger Stadium in Los Angeles, which had been the marquee account for the local Arthur Food Service for 29 years. Marriott quickly stamped its branding signature at Dodger Stadium by opening outlets of Carl's Jr., TCBY, Taco Bell, Pizza Hut and Jody Maroni's, a local operator specializing in gourmet sausage.

The Marriott division also added the feeding contracts for arenas of the National Basketball Association franchises in Dallas; Salt Lake City; and Orlando, Fla.

Host, Marriott's airport-feeding division, continued its use of nationally known fast-food chains by signing agreements with the Cinnabon sweet-roll chain, Mrs. Fields Cookies and Taco Bell. In addition, Host has now implemented "Premium Stock," a bar concept carrying primarily name-brand liquor, in about 70 percent of its airport lounges.

Another sports-feeding account change was the severing of a 50-year foodservice and concessions partnership between Harry M. Stevens and Madison Square Garden. Paramount Corp., the owner of the historic sports arena, has taken its foodservice in-house.

Restaura Dining Services, the contract arm for the Phoenix-based Dial Corp., scored a major coup of its own in stadium and area circles by winning the contract for the soon-to-be opened America West Arena — the future home court for the Phoenix Suns basketball team.

Restaura complemented its recreational success with a trio of new foodservice concepts, including Restaura-Mart, a convenience-store concept for use as a satellite facility in large manufacturing plants; mobile carts carrying deli sandwiches, breads, pastries and pizza; and a themed catering program.

Restaura also launched Accents, a demonstration-cooking concept that introduces such dishes as Oriental stir-fry meals to company cafeterias.

Faced with Eastern Airlines' liquidation and the Chapter 11 filings by four airlines — Pan Am, America West, Midway and Continental — such in-flight feeders as Caterair International are attempting to compensate for lost revenues through overseas joint ventures.

Caterair, which broke away from its former parent Marriott Corp. 18 months ago in a management-led buyout, has opened a pair of in-flight kitchens in Australia under a joint venture with Quantas Airlines. In addition, Caterair has begun in-flight operations in Moscow under a partnership with Aeroflot and is managing Northwest Airlines' in-flight kitchen in Tokyo.

The Texas-based Sky Chefs has opened a $20 million in-flight kitchen at American Airlines' hub in Miami in addition to opening kitchens at Stewart Airport in Newburgh, N.Y., and New Orleans.

Dobbs International, while sporting new colors and a new logo to mark its 50th year of operation, expanded its in-house adult literacy program and created one of the first supplier-partnership programs for in-flight feeders — SPIRIT, which stands for "Supplier Partnership Involvement Resource Improvement Teams."

> "We're seeing a resurgence in companies that want a quality foodservice program."
>
> — Joe Byrum,
> MCM president

CONTRACT CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sale of contract chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share Current*	Last Full	Prior
1	1	Marriott Management Services	Dec. '91	21.06%	20.90%	20.23%
2	2	ARA Services/ARASERVE	Sept. '91	15.31	15.01	15.05
3	3	Canteen Corp.	Dec. '91	10.66	12.24	13.36
4	4	Service America	Mar. '92	9.61	9.83	10.12
5	5	Host International	Dec. '91	5.83	5.74	5.82
6	6	Marriott In-Flite	Dec. '91	5.32	5.73	5.32
7	7	Morrison Custom Management	May '92	5.06	4.83	5.07
8	8	Sky Chefs	Dec. '91	4.00	3.93	3.76
9	9	Seiler Corp.	Aug. '91	3.53	3.48	3.34
10	10	Dobbs International	Dec. '91	2.77	2.69	2.64
11	12	ServiceMaster Food Mgmt. Servs.	Dec. '91	2.36	2.14	2.18
12	11	Ogden Allied Ent. Servs.	Dec. '91	2.18	2.18	2.14
13	13	Restaura	Dec. '91	2.18	2.05	2.41
14	14	Sportservice	Dec. '91	2.13	2.03	1.99
15	17	The Wood Co.	Dec. '91	2.07	1.77	1.65
16	15	Dobbs Houses	Dec. '91	2.02	1.97	1.88
17	18	Gardner Merchant Food Servs.	Jan. '92	2.01	1.59	1.18
18	16	Concession Air	Dec. '91	1.91	1.89	1.86
		TOTAL:		100.00%	100.00%	100.00%

*Projected
Source: NRN Research

PIZZA CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current*	Last Full	Prior
1	1	Pizza Hut	Dec. '91	$4,500.0	$4,000.0	$3,200.0
2	2	Domino's Pizza	Dec. '91	2,585.0	2,486.0	2,354.0
3	3	Little Caesars Pizza	Dec. '91	1,700.0	1,375.0	1,130.0
4	4	Round Table Pizza	June '92	317.0	311.0	295.0
5	5	Show Biz/Chuck E. Cheese's	Dec. '91	316.0	289.0	270.1
6	6	Sbarro, The Italian Eatery	Dec. '91	288.5	250.0	197.0
7	7	Godfather's Pizza	May '92	236.0	229.0	236.0
		TOTAL:		$9,942.5	$8,940.0	$7,682.1

*Projected

Source: NRN Research

Pizza Hut.
PERSONAL
EXPRESS
PAN PIZZA

Pizza Hut has installed kiosk-style operations in a number of schools, airports and hospitals and is looking into opening them in supermarket chains.

Pizza chains hauled into discounting fray

Caught in a fiercely competitive battle for market share, operators deploy value-pricing tactics and explore new avenues of distribution

by Paul Frumkin

With such pizza segment newcomers as McDonald's, Hardee's and Burger King baying at their heels, the major pizza chains are escalating the already fierce battle for market share on two key fronts: pricing and location.

Aggressive chains, such as Pizza Hut, Domino's and Little Caesars Pizza, are finding it increasingly necessary to promote value-added products through sophisticated — and costly — media advertising while at the same time investigating new and untapped points of distribution.

PIZZA CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current*	Last Full	Prior
1	1	Show Biz/Chuck E. Cheese's	Dec. '91	$1,296.0	$1,252.0	$1,199.0
2	2	Pizza Hut	Dec. '91	600.0	600.0	600.0
3	3	Round Table Pizza	June '92	556.0	555.0	545.0
4	4	Sbarro, The Italian Eatery	Dec. '91	536.0	547.0	513.0
5	5	Domino's Pizza	Dec. '91	505.7	505.6	499.2
6	6	Godfather's Pizza	May '92	505.0	493.0	464.0
7	7	Little Caesars Pizza	Dec. '91	470.0	440.0	437.0
		AVERAGE:		$ 638.4	$ 627.5	$ 608.2

*Projected

Source: NRN Research

Nevertheless, while competition remains ferocious within the rapidly maturing $16 billion pizza market, the top three pizza chains emerged from the fray well placed in the 1991 Top 100 lineup. Segment leader Pizza Hut, for its part, jumped a notch this year, to No. 3, trading places with a troubled Hardee's. Little Caesars also advanced, moving up two spots, to No. 12. Domino's, after a steady climb, however, slid one spot, to No. 8.

"I would say that the segment is more competitive than it has been," says Nancy Kruse, a principal with the Chicago-based Technomic Inc. "And it's apparently being driven by Pizza Hut, which is having a very good year."

Pizza Hut spokesman Roger Rydell agrees that the PepsiCo-owned giant was, indeed, "increasing the heat" in an already competitive environment.

"There is a lot of pricing and dealing going on," Rydell observes. "We're trying to remain relevant to the consumer, and to do that, we have to offer the kind of value the competition is offering."

Pizza Hut's answer to the "two-for-one-price" strategy favored by Little Caesar and Domino's is to emphasize its line of promotionally priced items, such as the Veggie Lover's, Cheese Lover's and Pepperoni Lover's pizzas. "These tactics are obviously having an impact on the way the chains do business," Kruse notes.

However, several industry observers believe that this flood of discounting has made the segment vulnerable. Roger Lipton, an analyst with Ladenburg Thalmann in New York, argues that as a result of widespread discounting, couponing and promotional gimmicks "everybody has figured out by now that there is just not enough value in the regular priced products. It's a 22-percent cost of goods."

Pizza Hut's answer to the 'two-for-one-price' strategy favored by Little Caesars and Domino's is to emphasize its line's promotionally priced items, such as the Veggie Lover's, Cheese Lover's and Pepperoni Lover's pizzas.

Consequently, Lipton adds, "the glory days of takeout and delivery are behind us."

But while he suggests that the sit-down aspect of the business is more secure, the chains continue to investigate as many and as many varied points of distribution as possible. The Farmington Hills, Mich.-based Little Caesars Pizza, which quite literally made its reputation through creative pricing, inked a deal this year with Kmart to open units in at least 400 of the discounter's 2,300 stores during fiscal 1991. Beyond that, the agreement allows the pizza chain to open as many 1,200 Little Caesars' outlets in Kmart stores during the next five years. And, in a departure from Little Caesars' take-out-only strategy, each of the Kmart units will offer seating for about 50.

In addition to the chain's normal fare, the menu will include a special breakfast pizza as well as muffins and danish that will be sold up to 10:30 a.m. Other items include a Caesar sandwich, salads, ice cream and frozen beverages. Each restaurant will employ from 12 to 15 persons, trained by Kmart.

It's no surprise that the deal stirred much debate throughout Little Caesars' licensee ranks. Several operators voiced concern over the possibility that the Kmart units would cannibalize traffic and sales. But others argued that the chain's heightened exposure in so many

*(See **PIZZA CHAINS**, page 98)*

Pizza chains hauled into discounting fray

(Continued from page 96)

Kmart stores would benefit the company in terms of consumer recognition.

And Domino's, which made its reputation on speedy delivery, has begun to investigate the possibility of opening full-service sit-down units with its new Pizzazz! concept. Developed primarily for airport, stadium and campus sites, Pizzazz!, however, could well provide Domino's with an answer to Pizza Hut's full-service "Red Roof" units. There are about 50 such units currently in operation.

A franchisee of the Ann Arbor, Mich.-based Domino's opened the first freestanding Pizzazz! unit in a suburb of Atlanta in June. A spin-off of the original concept, the Roswell, Ga., Pizzazz! offers seating for 50 and a drive-thru service window. In a departure from the traditional Domino's strategy, though, it does not feature delivery.

The menu includes 6-inch pan pizzas, gourmet salads and frozen yogurt, all tailored to capture a slice of the suburban lunch business.

Commenting on the potentialities of the Pizzazz! concept, Mike Orcut, former Domino's vice president of operations and now president of Cowabunga Inc., the 22-unit franchisee spearheading the drive, says, "My intention was to develop something we can put back in the franchisee ranks, a new growth vehicle for a whole new niche."

PIZZA CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	Pizza Hut	Dec. '91	6,800	6,500	6,200
2	2	Domino's Pizza	Dec. '91	5,219	5,003	4,831
3	3	Little Caesars Pizza	Dec. '91	3,600	3,173	2,700
4	4	Round Table Pizza	June '92	570	560	550
5	6	Sbarro, The Italian Eatery	Dec. '91	537	457	384
6	5	Godfather's Pizza	May '92	512	506	519
7	7	Show Biz/Chuck E. Cheese's	Dec. '91	284	267	257
		TOTAL:		17,522	16,466	15,441

*Projected

Source: NRN Research

Pizza Hut, for its part, continues to follow the direction set by president and chief executive Steve Reinemund to establish as many points of distribution as possible. Pizza Hut has already put units in schools, airports, hospitals and other work sites, but it is energetically pursuing new venues. While the company is currently testing kiosks in about a dozen Stop n' Go convenience stores in the Houston area, it is also negotiating with supermarket chains across the country to install Pizza Hut kiosk-style operations in stores. One ongoing discussion with the Phoenix-based ABCO Foods would, if an agreement is reached, establish limited-menu kiosks in the deli-bakery area in as many as 75 ABCO stores.

PIZZA CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of pizza chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share Current*	Last Full	Prior
1	1	Pizza Hut	Dec. '91	45.26%	44.74%	41.66%
2	2	Domino's Pizza	Dec. '91	26.00	27.81	30.64
3	3	Little Caesars Pizza	Dec. '91	17.10	15.38	14.71
4	4	Round Table Pizza	June '92	3.19	3.48	3.84
5	5	Show Biz/Chuck E. Cheese's	Dec. '91	3.18	3.23	3.52
6	6	Sbarro, The Italian Eatery	Dec. '91	2.90	2.80	2.56
7	7	Godfather's Pizza	May '92	2.37	2.56	3.07
		TOTAL:		100.00%	100.00%	100.00%

*Projected

Source: NRN Research

At the same time, Pizza Hut is operating in Bowling Green, Ky., a single-drive-thru, quick-service test unit that can deliver a custom-made Personal Pan Pizza in less than 60 seconds.

But in what could be one of the most dramatic new moves for the company is the anticipated opening of an upscale restaurant prototype in Wichita that would potentially compete with such casual Italian chains as Olive Garden. Although the core menu would, in all liklihood, be pizza, a much broader range of entrées would be available. The new unit would also feature a decor completely different from that of the red-roof units.

But while the big three pizza chains scramble for market share, other Top 100 segment players continue to expand their reach steadily — although somewhat less dramatically. The Irving, Texas-based ShowBiz Pizza Time Inc. — a publicly held company that operates both the ShowBiz Pizza Place and Chuck E. Cheese concepts -- has been steadily consolidating and expanding its business. The company — which derives nearly a quarter of sales and revenues from arcade games, videos and robotics shows featured in each unit — reported that improved operating margins and lower interest expenses helped ShowBiz Pizza Time Inc. post a 56-percent increase in net income, to $3.8 million, on an 18-percent rise in revenues, to $50.6 million, for the second quarter ended June 28. For the half-year mark, net income was up 38 percent, to $10 million, while revenues rose 15 percent, to $103.9 million.

This also marked the 22nd consecutive quarter that ShowBiz reported an increase in comparable-store sales for its pizza concepts, a streak that has been received favorably by Wall Street analysts.

While the company continues to convert the ShowBiz concept over to the Chuck E. Cheese logo, it is also opening new units. Last year eight company restaurants were opened, all of which were funded by ShowBiz's own cash flow, according to chief financial officer Mike Magusiak. He adds that about 15 company restaurants will be opened this year and as many as 25 during the following year.

At the same time, ShowBiz is concentrating on maximizing operations at its core restaurants. To that end, it developed Chuck E. Cheese University, to train operational personnel. "We've geared up from the people side, and we're getting excellent return on our investment," Magusiak says.

But while analysts tend to be bullish on ShowBiz, many turned bearish earlier this year when another public company, Sbarro Inc., suffered an unexpected same-store sales decline. Analysts debated the meaning of the 4-percent slide, questioning whether it was simply a result of operating in the economically troubled Northeast and California — and therefore a short-term phenomenon — or whether Sbarro's growth had finally peaked.

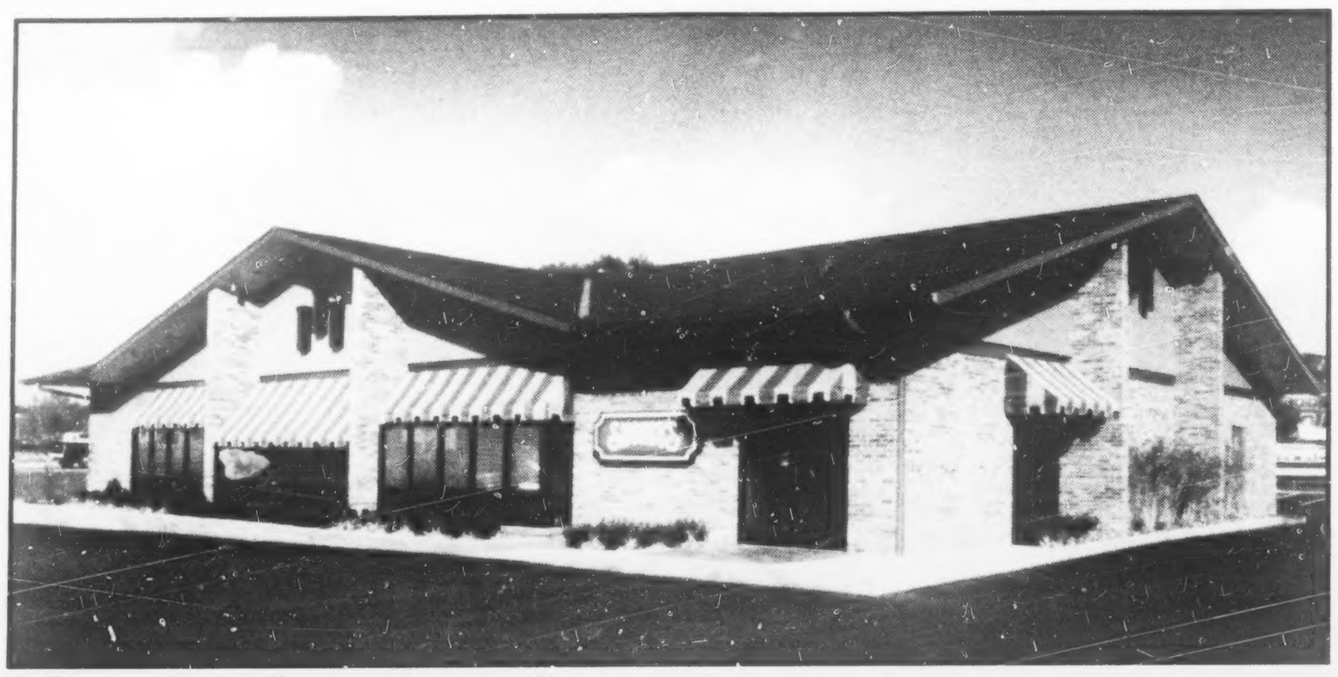
Whatever the case, observers of the Commack, N.Y.-based Italian concept say that Sbarro's unit sales probably won't see any change throughout the remainder of the year. "There's no reason to expect sales to improve dramatically until consumer spending rebounds," observes Bryan C. Elliott, an analyst with the Robinson-Humphrey Co. Inc. in Atlanta. "It will probably take until the end of the year."

Lipton agrees that any increase at the unit level will be dependent on the economy. "If retailing is slow, there's nothing they can do about it," he says. "Sbarro is dependent upon mall activity."

Elliot does note, however, that the company demonstrated operational saavy during the first quarter. "They showed that they were good at controlling costs when sales were soft," he says.

*(See **PIZZA**, page 150)*

> While Domino's is investigating opening a full-service, sit-down unit called Pizzazz!, Pizza Hut is anticipating the opening of an upscale prototype in Wichita, Kan., that will compete with such casual Italian chains as Olive Garden.



A Shoney's family-restaurant unit.

Family chains beat recession blues with value, service

Cracker Barrel, Shoney's lead segment in new-market expansion

by Carolyn Walkup

While fast feeders wrestle on a lower price plateau and dinner houses fight their segment's upscale battles, the industry's leading family-restaurant chains are emphasizing value and service in their midlevel market arena.

"The segment has come through the recession fairly well," says Roger Lipton, analyst with Ladenburg, Thalmann. Family chains "have somewhat less competition than in fast food, so there are fewer participants."

Some of the segment's leaders are adding new restaurants and increasing sales per unit. Openings in new markets by some, particularly Shoney's, indicate there is room for growth for chains that meet today's demand for value in a full-service setting.

Cracker Barrel showed a healthy 20-percent growth rate in adding 18 new stores to a base of 88, primarily along interstate highways. "Its location strategy and concept have been doing well along the highways," said Bryan Elliott, an analyst with Robinson-Humphrey in Atlanta. "It's a good alternative to fast food with a balanced, home-cooked meal at almost equivalent prices."

Shoney's, which added about 40 restaurants this year to a base of 720 and expects to add about 65 more in the coming year, is branching out from its Southeastern base to states like California, New Mexico and Wisconsin. Jeff Sowell, Shoney's vice president of marketing, credits price-value promotions, such as home-style dinners of a meat and two vegetables for $3.99 and $4.99, with attracting new customers and keeping old ones.

Several chains are not currently in expansion modes: Denny's, Big Boy, Friendly's, IHOP, Village Inn, Marie Callenders and Po Folks.

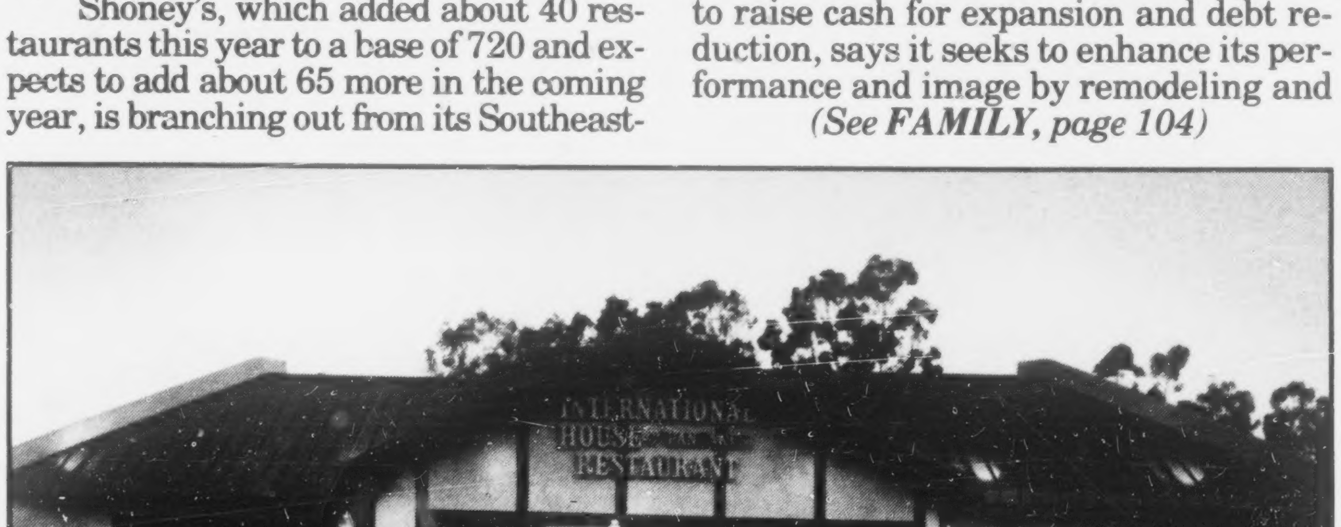
TW Services, the owner of Denny's, says its will embark on major expansions after correcting operational problems inherited from the chain's former owners. Remodeling older stores is a priority. With about 1,295 units, Denny's remains by far the largest chain in the segment.

Although the chain's revenue gains were small, its first-quarter operating income showed a 15-percent rise above last year's volume, perhaps suggesting that better times lie ahead.

Since Marriott turned over its Big Boy restaurants to its former franchisee, Elias Brothers in Warren, Mich., Big Boy has been struggling. "Big Boy is in disarray and shrinking. There is no cohesiveness and no central controls," according to analyst Elliott. Elias Brothers' spokesmen could not be reached for comment.

IHOP, which recently went public to raise cash for expansion and debt reduction, says it seeks to enhance its performance and image by remodeling and

*(See **FAMILY**, page 104)*



An International House of Pancakes (IHOP) restaurant.

FAMILY CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions)		
				Current*	Last Full	Prior
1	1	Denny's	Dec. '91	$1,485.9	$1,480.2	$1,346.9
2	2	Big Boy	Dec. '91	1,141.5	1,087.9	1,030.0
3	3	Shoney's	Oct. '91	1,120.0	991.3	862.4
4	5	Perkins Family Restaurants	Dec. '91	508.7	471.0	423.0
5	4	Friendly's Restaurants	Dec. '91	503.8	525.5	558.8
6	6	International House of Pancakes	Dec. '91	404.4	385.1	356.6
7	7	Bob Evans Farms	Apr. '92	380.5	358.2	322.3
8	12	Cracker Barrel	Aug. '91	295.0	225.5	169.5
9	9	Bakers Square	Oct. '91	282.0	249.0	216.8
10	8	Waffle House	June '92	277.5	274.0	270.5
11	10	Marie Callender's	Dec. '91	258.8	246.5	225.1
12	11	Village Inn	Oct. '91	246.0	240.5	234.6
		TOTAL:		$6,904.1	$6,534.7	$6,016.5

*Projected

Source: NRN Research

FAMILY CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands)		
				Current*	Last Full	Prior
1	1	Cracker Barrel	Aug. '91	$2,920.0	$2,820.0	$2,520.0
2	2	Marie Callender's	Dec. '91	1,650.0	1,650.0	1,650.0
3	3	Bakers Square	Oct. '91	1,650.0	1,555.0	1,424.0
4	4	Shoney's	Oct. '91	1,560.0	1,538.0	1,451.0
5	5	Bob Evans Farms	Apr. '92	1,500.0	1,450.0	1,400.0
6	6	Perkins Family Restaurants	Dec. '91	1,253.0	1,247.0	1,237.0
7	7	Denny's	Dec. '91	1,200.0	1,200.0	1,100.0
8	8	Big Boy	Dec. '91	1,185.0	1,150.0	1,125.0
9	9	Village Inn	Oct. '91	1,160.0	1,093.0	1,054.0
10	10	International House of Pancakes	Dec. '91	840.0	801.0	754.0
11	11	Friendly's Restaurants	Dec. '91	650.0	640.0	665.0
12	12	Waffle House	June '92	398.6	391.4	394.9
		AVERAGE:		$1,330.6	$1,294.6	$1,231.2

*Projected

Source: NRN Research

FAMILY CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units		
				Current*	Last Full	Prior
1	1	Denny's	Dec. '91	1,295	1,294	1,274
2	2	Big Boy	Dec. '91	963	946	915
3	3	Friendly's Restaurants	Dec. '91	775	795	824
4	4	Shoney's	Oct. '91	760	720	680
5	5	Waffle House	June '92	700	700	685
6	6	International House of Pancakes	Dec. '91	491	490	480
7	7	Perkins Family Restaurants	Dec. '91	432	399	371
8	8	Bob Evans Farms	Apr. '92	275	255	241
9	9	Village Inn	Oct. '91	227	228	234
10	10	Bakers Square	Oct. '91	180	167	159
11	11	Marie Callender's	Dec. '91	162	161	156
12	12	Cracker Barrel	Aug. '91	106	88	73
		TOTAL:		6,366	6,243	6,092

*Projected

Source: NRN Research

FAMILY CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of family chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share		
				Current*	Last Full	Prior
1	1	Denny's	Dec. '91	21.52%	22.65%	22.39%
2	2	Big Boy	Dec. '91	16.53	16.65	17.12
3	3	Shoney's	Oct. '91	16.22	15.17	14.33
4	5	Perkins Family Restaurants	Dec. '91	7.37	7.21	7.03
5	4	Friendly's Restaurants	Dec. '91	7.30	8.04	9.29
6	6	International House of Pancakes	Dec. '91	5.86	5.89	5.93
7	7	Bob Evans Farms	Apr. '92	5.51	5.48	5.36
8	12	Cracker Barrel	Aug. '91	4.27	3.45	2.82
9	9	Bakers Square	Oct. '91	4.08	3.81	3.60
10	8	Waffle House	June '92	4.02	4.19	4.50
11	10	Marie Callender's	Dec. '91	3.75	3.77	3.74
12	11	Village Inn	Oct. '91	3.56	3.68	3.90
		TOTAL:		100.00%	100.00%	100.00%

*Projected

Source: NRN Research

CAFETERIA CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current*	Last Full	Prior
1	2	Luby's Cafeteria	Aug. '91	$ 330.0	$ 311.0	$ 283.3
2	1	Morrison's	May '92	326.9	311.3	312.3
3	3	Piccadilly	June '92	305.0	300.0	307.0
4	4	Furr's Cafeterias	Dec. '91	225.0	230.0	231.3
		TOTAL:		$1,186.9	$1,152.3	$1,133.9

*Projected
Source: NRN Research

CAFETERIA CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current*	Last Full	Prior
1	1	Luby's Cafeteria	Aug. '91	$2,300.0	$2,400.0	$2,400.0
2	2	Piccadilly	June '92	2,000.0	2,000.0	2,000.0
3	4	Morrison's	May '92	1,912.0	1,820.0	1,795.0
4	3	Furr's Cafeterias	Dec. '91	1,770.0	1,840.0	1,850.0
		AVERAGE:		$1,995.5	$2,015.0	$2,011.3

*Projected
Source: NRN Research

CAFETERIA CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	Morrison's	May '92	166	171	174
2	2	Piccadilly	June '92	160	152	147
3	3	Luby's Cafeteria	Aug. '91	150	137	124
4	4	Furr's Cafeterias	Dec. '91	125	125	125
		TOTAL:		603	585	570

*Projected
Source: NRN Research

CAFETERIA CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of cafeteria chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share Current*	Last Full	Prior
1	2	Luby's Cafeteria	Aug. '91	27.80%	26.99%	24.98%
2	1	Morrison's	May '92	27.54	27.02	27.54
3	3	Piccadilly	June '92	25.70	26.03	27.07
4	4	Furr's Cafeterias	Dec. '91	18.96	19.96	20.40
		TOTAL:		100.00%	100.00%	100.00%

*Projected
Source: NRN Research

Family chains beat recession blues with value, service

(Continued from page 100)

by buildings sales and improving operations and marketing.

Friendly's, which had 795 company-owned units at the end of 1990, is retrenching and plans to close 20 units by year-end.

Virtually all of the segment's chains continue to promote their all-day image as they struggle to overcome a lingering breakfast and coffee-shop identity. Dinner now comprises about 45 percent of sales at Bob Evans, according to Roger Williams, the chain's senior vice president of marketing, who adds, "There is still room for growth there."

Several chains that want to be known as dinner destinations are challenging some of the lower-end dinner houses and are especially seeking those dinner-house customers who are trading down.

However, "if restaurants are recognized for breakfast, there is a harder trade-off for dinner business," says Michael Mueller, Montgomery Securities analyst. Except for Cracker Barrel, which Mueller credits with long maintaining a solid dinner day part, most other family chains are struggling to woo dinner-house customers away from more contemporary places, such as Applebee's and Chili's.

The family segment continues to fare well when going against fast-food chains. "The fast food generation of baby boomers has grown up; this points to increased activity in family dining over fast food," Lipton notes.

With prices often just slightly higher than at fast-food restaurants, the family segment is touting service as its main advantage over fast feeders. Several chains, including Shoney's, Perkins and Bob Evans, are emphasizing better service to promote customer loyalty.

Bob Evans, for example, is giving managers more latitude to vary from past policy in order to increase customer satisfaction. "The managers are there to satisfy the customer," Williams notes. "We are allowing more freedom in the field."

Shoney's is striving for service that is faster, friendlier and more efficient than ever before, according to Sowell. To facilitate attainment of that goal, the company is using more units — both company-owned and franchised — as training stores.

Shoney's, Bakers Square and others use mystery shopper research to help improve service. "It builds better customer consciousness," says Tom Wirth, Bakers Square's marketing spokesman.

Perkins is instituting a policy of giving a free dessert or other item to any customer who voices any complaint about a Perkins' dining experience.

Regarding speed of service, the 10-minute guarantee for specific breakfast and lunch items that Denny's started nearly two years ago has strengthened Denny's position against the fast feeders.

Broader menu options work in this segment's favor when potential customers are choosing between a fast feeder and a family restaurant. Temporary menu-item promotions typically create new interest, as do permanent menu additions.

Shoney's periodic all-you-can-eat shrimp fests are one of its most successful dinner promotions. Denny's Grand Slam combination plates have become a chain trademark.

Marc's Big Boy, a Milwaukee-based franchisee, has introduced rotisserie-roasted chicken in an attempt to remold its image as "the family restaurant with the healthful-menu alternative," according to Wayne Jones, Marcus Restaurants' president. Other franchisees are free to add rotisserie chicken or other new products if they wish, he adds.

Several chains, including Shoney's and Perkins, are adding in-store bakeries. In five stores in Tennessee and South Carolina, Shoney's is testing a "Pie Shoppe," which supplements the dessert menu and offers whole pies to go.

Cafeterias struggle for traffic

Unlike full-service family restaurants, their cafeteria cousins are having trouble attracting maturing baby boomers. "Nobody has come up with the formula yet to fix that," Elliott observes.

"We're in a negative head count mode, but we have aspirations for the future," says Luby's Ralph Erben, chief executive officer, who expects to expand the number of units in his chain by 10 percent each year. "We are still in the grips of a very competitive marketplace and poor economic times."

The situation is similar at Piccadilly Cafeterias, also concentrated in the South. "Customer traffic and sales and profits were weak and down for the year, and that is no surprise," notes James Malmberg, the chain's president.

Based on improving customer counts and check averages, "the rate of decline has moderated and will turn back positive in fiscal 1992," he predicts. "We are doing a concentrated effort on our marketing program."

In states such as Louisiana, Texas and Oklahoma, Malmberg is seeing slight economic upturns, which he expects will benefit Piccadilly's.

Meanwhile, cafeterias are experimenting with other kinds of restaurants as possible growth vehicles. Picadilly's plans to open more Ralph & Kacoos seafood restaurants, and Furr's has opened a smoke-free salad bar concept called Zoo-kini's.

A Luby's worker in a Houston cafeteria dishes out food to a customer.

> “We're in a negative head count mode, but we have aspirations for the future. We are still in the grips of a very competitive marketplace and poor economic times.”
>
> — Luby's CEO Ralph Erben, who expects to expand the number of units in his chain by 10 percent each year.

DINNER-HOUSE CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, In Millions) Current*	Last Full	Prior
1	1	Red Lobster	May '92	$1,520.0	$1,400.0	$1,340.0
2	2	Olive Garden	May '92	757.0	613.0	450.0
3	3	Chili's Grill & Bar	June '92	580.0	491.0	410.0
4	4	T.G.I. Friday's	Dec. '91	525.0	471.0	419.4
5	6	Chi-Chi's	Sept. '91	480.0	458.7	430.5
6	5	Bennigan's	June '92	472.1	459.2	471.0
7	7	Ground Round	Dec. '91	294.2	283.1	266.9
8	9	Applebee's Neighborhood Grill & Bar	Dec. '91	289.3	228.2	147.7
9	8	El Torito	Dec. '91	263.6	258.4	244.6
10	10	Stuart Anderson's Black Angus	Dec. '91	230.4	221.4	216.0
11	11	Steak and Ale	June '92	225.5	216.8	222.4
12	12	Ruby Tuesday	May '92	225.0	208.0	189.0
13	13	Tony Roma's—A Place for Ribs	Feb. '92	209.9	198.2	180.5
		TOTAL:		$6,072.0	$5,507.0	$4,988.0

*Projected
Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, In Thousands) Current*	Last Full	Prior
1	1	T.G.I. Friday's	Dec. '91	$3,500.0	$3,450.0	$3,300.0
2	2	Red Lobster	May '92	3,000.0	3,000.0	2,990.0
3	3	Olive Garden	May '92	2,884.0	2,800.0	2,700.0
4	4	Stuart Anderson's Black Angus	Dec. '91	2,679.0	2,635.0	2,571.0
5	5	Chi-Chi's	Sept. '91	2,270.0	2,400.0	2,517.0
6	6	El Torito	Dec. '91	2,269.0	2,246.0	2,178.0
7	7	Chili's Grill & Bar	June '92	2,260.0	2,200.0	2,120.0
8	8	Bennigan's	June '92	2,117.0	2,059.3	2,112.1
9	9	Ruby Tuesday	May '92	1,900.0	1,800.0	1,700.0
10	10	Tony Roma's—A Place for Ribs	Feb. '92	1,800.0	1,800.0	1,700.0
11	11	Applebee's Neighborhood Grill & Bar	Dec. '91	1,681.0	1,656.0	1,550.0
12	12	Ground Round	Dec. '91	1,500.0	1,465.0	1,400.0
13	13	Steak and Ale	June '92	1,427.2	1,372.3	1,407.5
		AVERAGE:		$2,252.9	$2,221.8	$2,172.7

*Projected
Source: NRN Research

Dinner houses thumb noses at recession

Buoyed by lifestyle, casual dining trends, dinner-house chains plot aggressive expansion plans, sharpen marketing assaults

by Alan Liddle

Positioned to benefit from changing dining trends, demographics and lifestyles, the dinner-house chains in Nation's Restaurant News' Top 100 for 1991 are expanding at an aggressive pace despite the economic recession.

However, growth in the total number of units among the 13 casual-theme chains is expected to slow from 11 percent last year to a projected 7.7 percent in the current year. But projections indicate that the group will post an average systemwide-sales growth rate of 10.3 percent this year, virtually even with its 10.4-percent pace in the last full fiscal year.

Fueling such sales and unit growth rates, which rank just behind those of pizza chains in the Top 100, are several marketing and merchandising tacks, including rollouts of value-oriented and seasonally inspired menu items; improvements of service and dining ambience; various food and beverage promotions.

At the same time, the very things that are driving up the chains' top lines — namely, expansion, demonstrations of "value," increased advertising and enhanced service — are squeezing the margins of many players. In response, some chains are diligently working to boost the sales of margin-fattening alcoholic beverages while seeking to avoid increased liabilities or harm to their images as responsible servers.

Among the promotional items and new value-oriented additions to regular menus are the $4.99 Mexican lunch buffet at Chi-Chi's, whose rollout was recently completed by the Louisville, Ky.-based chain. The Ruby Tuesday chain, too, launched $4.99 "Lunch Stop" specials, including a teriyaki chicken breast on a multigrain or sesame seed bun.

Ruby Tuesday, which is based in Mobile, Ala., also had reduced the price of its signature salad bar, when ordered with an entrée or sandwich, from $2.79 to $1.99.

Olive Garden, which this year repeated its "Carnival of Venice" menu promotion, is currently offering "Summer in the Garden" specials and is readying a full-scale menu promotion for the fall. One of the Summer in the Garden offerings is an $8.95 dish of pasta shells with chunks of grilled chicken breast sautéed in olive oil, spinach and garlic.

Taking its cue from quick-service innovator Taco Bell, which has made life miserable for sandwich-segment competitors with its "value" menu, dinner-house segment leader Red Lobster is testing a menu with 22 entrées under $10. The chain features just seven items under $10 on its regular menu.

"We're hoping Mom and Dad will pack the kids into the car and visit Red Lobster more frequently," says Dick Monroe, the public-relations vice president of the 500-plus unit Orlando, Fla.-based chain. "We also want to attract new customers who thought we were too pricy."

Red Lobster moved to enhance its "value" image earlier this year when it added garlic-cheese bread and a Caesar salad to its roster of complimentary side-dish options. The chain also upgraded its china, linen and uniforms.

"Healthful" foods, such as tuna-stuffed tomatoes and grilled, skinless chicken breast salads, continue to show up on dinner-house menus in growing numbers. Such lower-calorie, lower-fat, lower-cholesterol and lower-sodium dishes are gaining wider acceptance, and at least one chain has claimed that tests of those foods drove up sales.

"We currently have eight new 'Eat Light, Eat Healthy' items [in test]," Abe Gustin Jr., president of Applebee's Neighborhood Grill & Bar, remarked earlier this year. "We have a 6-percent-to-8-percent increase in comparable-store sales wherever we're selling those items."

Glenn Drasher, senior vice president of marketing for Chi-Chi's, says his chain's "Fresh & Light" selections — including grilled halibut with salsa, fruit and rice — don't claim "a big number" in terms of incremental sales. However, he adds, "it's a very consistent number."

The new dinner-house menus, promotions and pricing strategies appear to be convincing fine-dining patrons to trade down, while compelling the customers of quick-service, family and budget-steak restaurants to trade up to the casual-theme segment's perceived higher levels of service, fun and exotic foods.

"I would be bullish on the segment," Nancy Kruse, a principal with the Chicago-based research group Technomics Inc., notes in regard to dinner houses. "There is a trend toward the casualization of dining, and the dinner houses are positioned nicely to be a big beneficiary of that trend. Changing demographics and lifestyles," she adds, "also augur very well for the development of the category."

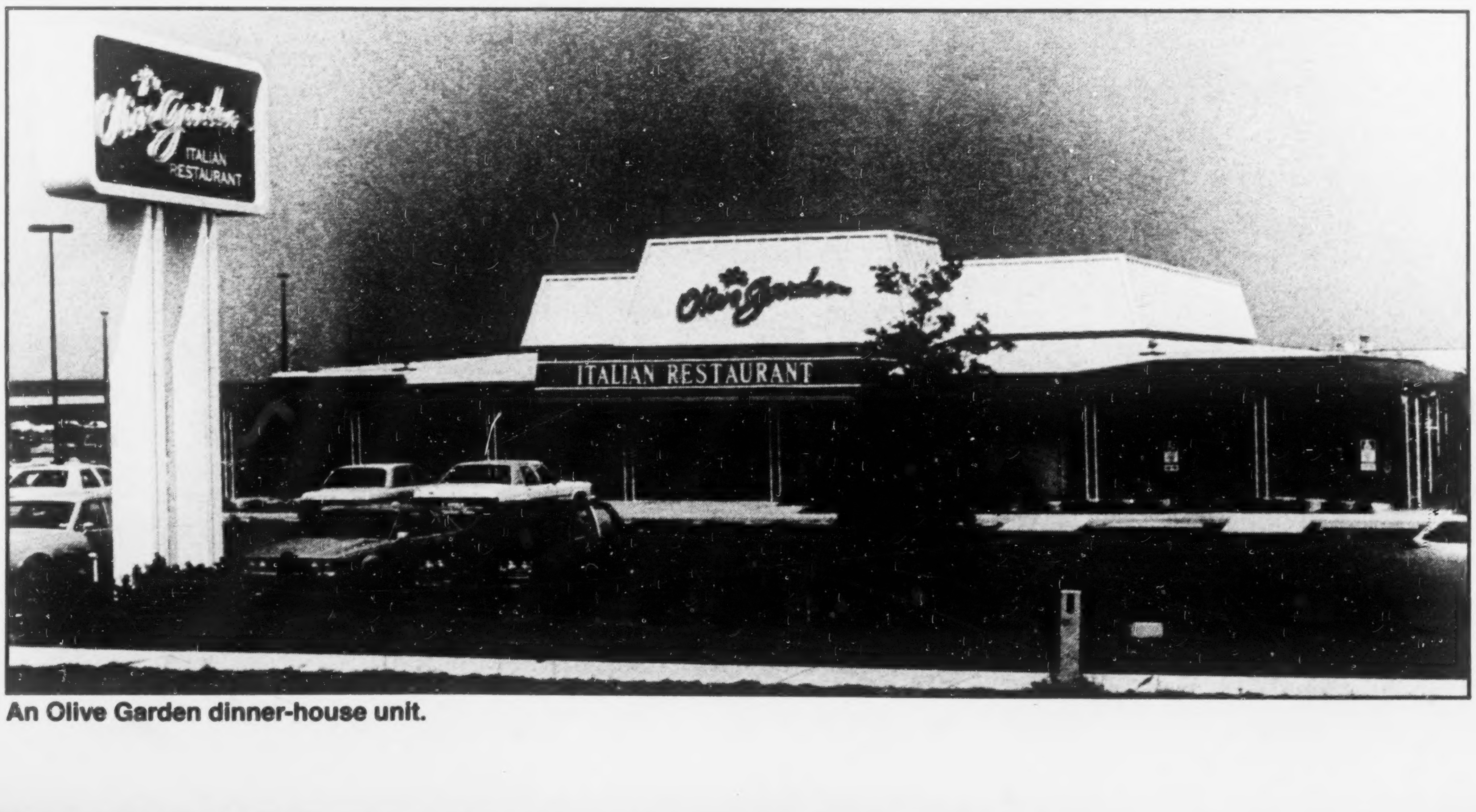
Studies indicate that as people get older, they are more likely to dine at a midscale, full-service restaurant and less likely to choose a quick-service establishment. Such a correlation was found in a National Restaurant Association-commissioned study by the NPD Crest group of Chicago.

While the tendency of an aging population to choose a midscale, full-service restaurant might be construed as a plus for family restaurants, which usually have a lower average ticket than do dinner houses, Kruse indicates that changing "lifestyle trends" put the category's leading chains in an enviable position.

"After coming through a time of real experimentation, in terms of the kinds of foods we are willing to try and the prices we are willing to pay, we [baby boomers] seem to have settled into a place where we say we want a variety of quality foods at reasonable prices in a comfortable environment," she explains. "Those expectations are met by casual dinner houses."

In fact, most, if not all, of the dinner-house chains in the Top 100, including Red Lobster, Olive Garden, Chili's Grill

*(See **DINNER HOUSES**, page 112)*



An Olive Garden dinner-house unit.

DINNER-HOUSE CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	Red Lobster	May '92	520	502	460
2	2	Olive Garden	May '92	303	253	200
3	3	Chili's Grill & Bar	June '92	280	243	211
4	4	Chi-Chi's	Sept. '91	243	230	208
5	5	Bennigan's	June '92	223	223	223
6	6	Ground Round	Dec. '91	203	199	192
7	7	Applebee's Neighborhood Grill & Bar	Dec. '91	182	160	113
8	8	T.G.I. Friday's	Dec. '91	180	159	148
9	10	Ruby Tuesday	May '92	159	134	109
10	9	Steak and Ale	June '92	158	158	158
11	12	Tony Roma's—A Place for Ribs	Feb. '92	121	116	103
12	11	El Torito	Dec. '91	118	117	113
13	13	Stuart Anderson's Black Angus	Dec. '91	86	84	84
		TOTAL:		2,776	2,578	2,322

*Projected
Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of dinner-house chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share Current*	Last Full	Prior
1	1	Red Lobster	May '92	25.03%	25.42%	26.86%
2	2	Olive Garden	May '92	12.47	11.13	9.02
3	3	Chili's Grill & Bar	June '92	9.55	8.92	8.22
4	4	T.G.I. Friday's	Dec. '91	8.65	8.55	8.41
5	6	Chi-Chi's	Sept. '91	7.91	8.33	8.63
6	5	Bennigan's	June '92	7.78	8.34	9.44
7	7	Ground Round	Dec. '91	4.85	5.14	5.35
8	9	Applebee's Neighborhood Grill & Bar	Dec. '91	4.76	4.14	2.96
9	8	El Torito	Dec. '91	4.34	4.69	4.90
10	10	Stuart Anderson's Black Angus	Dec. '91	3.79	4.02	4.33
11	11	Steak and Ale	June '92	3.71	3.94	4.46
12	12	Ruby Tuesday	May '92	3.71	3.78	3.79
13	13	Tony Roma's—A Place for Ribs	Feb. '92	3.46	3.60	3.62
		TOTAL:		100.00%	100.00%	100.00%

*Projected
Source: NRN Research

Dinner-house chains thumb noses at recession

(Continued from page 108)

& Bar, Applebee's and T.G.I. Friday's, might best be described as "casual theme" restaurants.

The surf-'n'-turf, tablecloth roots of some of the more traditional dinner-house concepts operated by Top 100 companies — including Kyotaru Co.'s Charlie Brown's and Restaurant Enterprises Group's Reuben's — are easy to spot. But most of the Top 100 dinner-house chains are contemporary and decidedly casual, with average tickets more closely akin to the per-person averages at upscale family restaurants than to those at fine-dining establishments.

As a rule, the fastest-growing dinner-house chains in the Top 100, in terms of percentage growth in units and systemwide sales, are those with broad themes. Among them: Southwest-flavored Chili's; "neighborhood" specialist Applebee's; and T.G.I. Friday's, one of the first concepts to tout "foods for every mood."

The segment's growth leader, the Olive Garden Italian themer, is the obvious exception to the broad-based-is-better philosophy.

Part of Olive Garden's success relates to its lack of a national competitor and the absence of a large number of strong regional challengers — points not lost on Brinker International of Dallas, parent of Chili's Grill & Bar. The Brinker company has indicated it plans to expand its Romano's Macaroni Grill concept aggressively.

Two ethnic themers in the Top 100 seem to have more than enough competition from strong regional contenders and national chains in different niches.

Chi-Chi's — while ranking fifth among the Top 100 dinner-house chains in systemwide-sales growth and improving its Top 100 dinner-house-chain market share by leapfrogging Bennigan's to take the No. 5 spot — is nevertheless suffering through its second year of declining same-store sales. Average-unit sales for the Mexican chain were $2.52 million in fiscal 1989 but are now hovering at about $2.27 million, company officials report.

Projections indicate that El Torito, the principal national rival of Chi-Chi's, will see systemwide sales growth of just 2 percent in the current year, or less than half of the 5.6-percent gain it realized last year. El Torito is expected to add one restaurant this year, bringing its total to 118.

Red Lobster, although its momentum is slowing, continues to dominate the dinner-house category.

Projections indicate that Red Lobster will add 18 more restaurants for a total of 520 in the current fiscal year ended in May 1992, and that it will increase its systemwide sales by 8.6 percent, to $1.52 billion. With the exception of its younger sibling, The Olive Garden, Red Lobster operates nearly twice as many restaurants and generates nearly three times the systemwide sales of its nearest rival, Chili's.

As it did last year when it added 53 restaurants, Olive Garden, which plans to develop 50 units this year, again leads the dinner-house pack in expansion. If projections hold, the chain will number 303 units and report systemwide sales of about $757 million by the end of its fiscal year.

Olive Garden has relied heavily on conversions to win the battle to establish the first national Italian dinner-house chain.

"To build a restaurant can be a very time-consuming process," notes Ron Magruder, the chain's chief executive. "It can be three years from when you start to when you open. The ability to [convert] a restaurant into another restaurant may cut that time in half."

Besides being faster than new construction in many cases, conversions can also cut down on development costs, though that is not always true. Though most dinner-house chains have converted existing restaurants, few have matched Olive Garden's reliance on conversions.

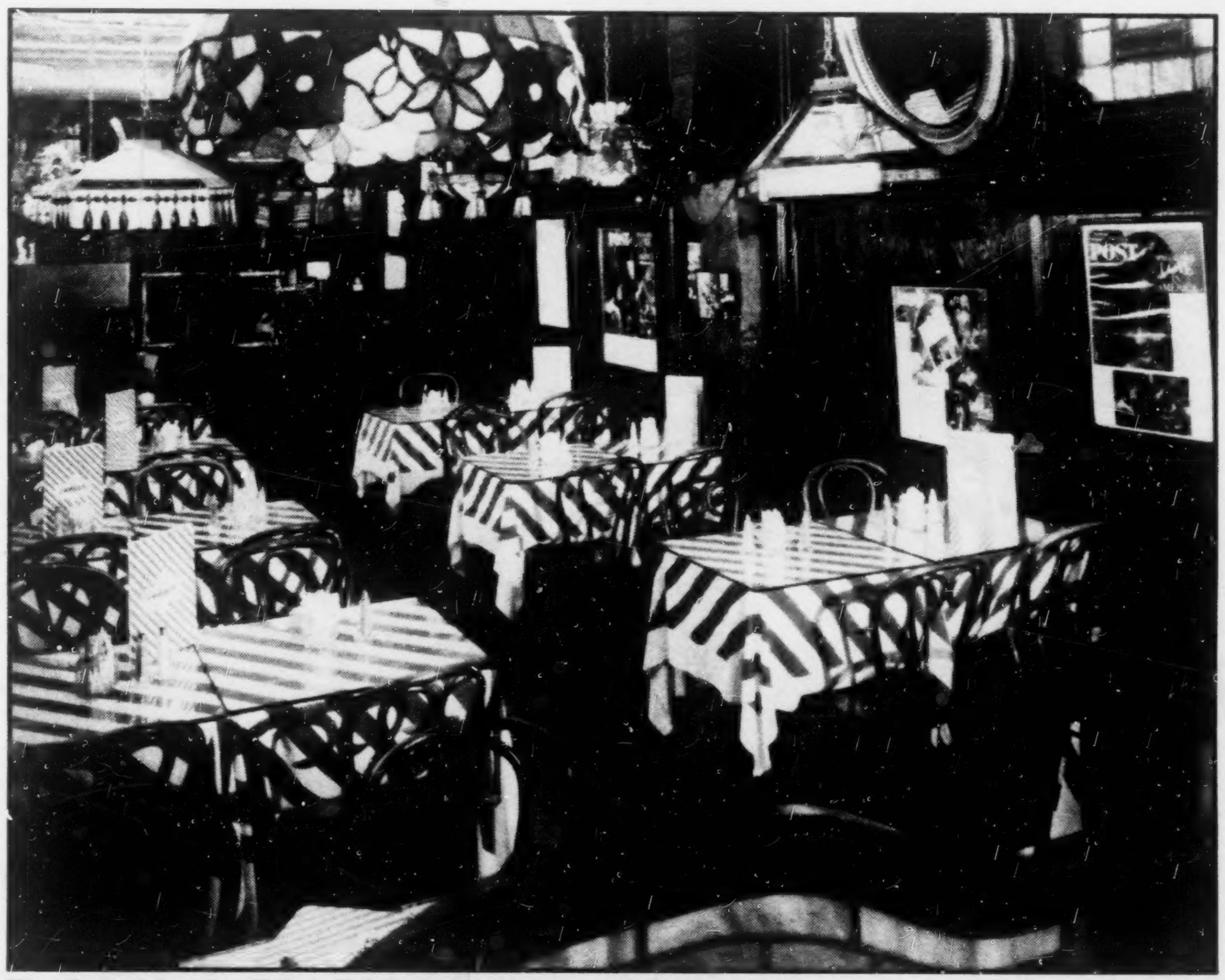
In its initial years of expansion, Olive Garden used conversions to develop 70 percent of the restaurants it opened. Recent reports indicate that conversions now represent about 40 percent of the mix.

Projections based on strong performances during the past two fiscal years indicate that Ruby Tuesday, Chili's, Applebee's and T.G.I. Friday's should grow by double-digit percentages in the current year.

Driven by the pressures on margins resulting from the "value" promotions and outright discounting needed to attract customers in recessionary times, some dinner-house chains have increased their merchandising of alcoholic beverages.

El Torito's "Fiesta Zone" happy hour-merchandising campaign, featuring free snacks, discounted food and margaritas, and focused merchandising of cocktails, has helped reverse its six-year decline in beverage sales, chain officials say.

The Irvine, Calif., chain generated 46 percent of its total sales from beverages in 1984 but saw that enviable level slip an average of 2 points each year since then. Company officials indicate that the Fiesta Zone strategy could bump beverage sales by a full percentage point to 35 percent of total sales by the end of this year.



The interior of a T.G.I. Friday's restaurant in New York.

Projections based on their strong performances during the past two fiscal years indicate that Ruby Tuesday's, Chili's, Applebee's and T.G.I. Friday's should grow by double-digit percentages in the current year.

Offering insight into what halting the decline in beverage sales means to his chain and its margins, El Torito chief executive Martin "Mike" Casey remarks, "We figure that for every $1 in bar sales we lose we need $2.25 in food [sales] to get the same contribution to fixed costs, and that's including factoring in the labor element."

Chi-Chi's officials say they, too, have been able to stop a two-year drop in beverage sales by increasing the merchandising of margaritas. If sales trends continue for the full year, they believe, the chain's beverage sales could rise by about 1 percent, to approximately 30 percent of total volume.

"We want to be responsible with it, and we're not trying to be overbearing in our merchandising," Chi-Chi's Drasher says of the chain's use of mobiles, place mats and large cutouts of margaritas to merchandise the specialty drinks. "At the same time we want to let people know that Chi-Chi's is a fun place, and margaritas are a part of it."

"We have rolled out a specialty-drink menu for the summer, featuring a number of frozen drinks in souvenir glasses, cordials and liqueurs," points out Ron McConnell, regional director of marketing for Ruby Tuesday's. "We don't want to be considered a watering hole, but we do have full-service bars in all of our restaurants. And while people are drinking less [these days], they do enjoy these kinds of drinks."

Gains in beverage sales, such as those reported by El Torito and Chi-Chi's, are even more impressive, given this year's hike in federal taxes on beer, wine and spirits.

*(See **DINNER HOUSE**, page 140)*

HOTEL CHAINS RANKED BY FOODSERVICE SALES PER HOTEL

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Foodservice Sales Per Hotel (By Fiscal Year, In Thousands) Current*	Last Full	Prior
1	1	Westin Hotels	Dec. '91	$9,100.0	$8,740.0	$8,400.0
2	2	Sheraton Hotels	Dec. '91	4,029.0	3,842.0	3,423.0
3	3	Hilton Hotels	Dec. '91	3,873.0	3,689.0	3,530.0
4	4	Hyatt Hotels	Jan. '92	3,812.0	3,673.0	3,504.0
5	5	Marriott Hotels & Resorts	Dec. '91	3,631.0	3,526.0	3,351.0
6	6	Radisson Hotels	Dec. '91	2,350.0	2,270.0	2,000.0
7	7	Ramada Inn	Dec. '91	690.6	682.7	660.8
8	8	Holiday Inns	Dec. '91	377.6	363.7	346.4
		AVERAGE:		$3,482.9	$3,348.3	$3,151.9

*Projected
Source: NRN Research

HOTEL CHAINS RANKED BY FOODSERVICE SALES PER HOTEL

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Foodservice Sales Per Hotel (By Fiscal Year, In Thousands) Current*	Last Full	Prior
1	1	Westin Hotels	Dec. '91	$9,100.0	$8,740.0	$8,400.0
2	2	Sheraton Hotels	Dec. '91	4,029.0	3,842.0	3,423.0
3	3	Hilton Hotels	Dec. '91	3,873.0	3,689.0	3,530.0
4	4	Hyatt Hotels	Jan. '92	3,812.0	3,673.0	3,504.0
5	5	Marriott Hotels & Resorts	Dec. '91	3,631.0	3,526.0	3,351.0
6	6	Radisson Hotels	Dec. '91	2,350.0	2,270.0	2,000.0
7	7	Ramada Inn	Dec. '91	690.6	682.7	660.8
8	8	Holiday Inns	Dec. '91	377.6	363.7	346.4
		AVERAGE:		$3,482.9	$3,348.3	$3,151.9

*Projected
Source: NRN Research

Hotels slash spending to beat traffic slump

Janos Kiss

(Continued from page 1)

food and beverage operations for Marriott Corp. "People are looking for better value. Hotel restaurants have this stereotyped image of not offering very good price-value.

"These are definitely challenging times."

"The old approaches to hotel foodservice just don't work anymore. They just don't," Clawson says. "Today you've got to be very creative."

But "owners are so squeezed that they don't have enough cash to fund radical change," Patterson comments. "The cash available for 'reconcepting' a restaurant is bound to be pinched."

Operators also express concerns about reacting too impulsively in an environment that can be difficult to read.

"We used to sit down and make strategy decisions with an emphasis on what our gut feeling told us to do," Marriott's Hulbert explains. "We realized that we're not as smart as we thought we were. Customers are very fickle. So today we're investing the time and the money to verify what customers want."

With less money coming into hotel food and beverage departments, many lodging chains are striving to preserve profits — or at least cut their losses — by diligently policing what they spend.

"Our two biggest enemies are food and labor costs," notes Janos Kiss, executive chef and assistant vice president of food and beverage for Hyatt Hotels. "You can't raise prices; you just can't. So you have to look at cutting costs."

In Hyatt's instance corporate foodservice executives took to the road to hone the skills of the chain's food and beverage personnel.

Chefs and cooks were shown how to prepare fine-dining entrées with items that purchasing agents might have dismissed a few years ago as being too mundane for luxury restaurants.

"We look at swordfish and lobster and see how expensive they are — partly because we've bid up the price," Kiss explains. "So now we say that you also have to look at things like Dover sole or even cod.

"With things like that, you have to be a little smarter in the way you cook; it has to be done right. But that way you can hold down the cost of a dish and pass along a lower price to the customer."

The approach can also improve profit margins, he notes.

Customers have encouraged that emphasis on lower-cost ingredients, Kiss says.

"At a Hyatt Regency they had 3,000 people booked for a banquet, and they wanted stuffed pork chops," he explains. "Two or three years ago, you never could have served something like that; it wasn't upscale enough. But this was what they wanted."

Increasingly, he points out, banquet customers are stating upfront what they want to spend and then asking how much they can get for that amount, instead of choosing a menu and then asking the cost.

"We're seeing customers who are a lot more astute than they were a few years ago," remarks Marriott's Hulbert. "They know wines, and they know beverages and what to expect."

Hyatt is also attempting to bridle food costs by cutting waste. For instance, Kiss explains, when a lamb carcass is cut to yield a rack of lamb, the kitchen staff finds a use for the trimmings.

"Maybe we do a lamb appetizer that night," he says. "We don't waste the meat."

At the same time the company is carefully monitoring the deployment of its personnel.

"It does not make sense to have a $40,000-a-year chef peeling potatoes and putting them in a kettle," Kiss comments. "We tell the chef, 'Buy the potatoes already peeled so you can spend your time on something more important.'"

Similarly, "We're trying to make sure that we make the best use of our labor in food preparation," says Marriott's Hulbert. "We would like to keep our menus smaller so that we have fewer items to concentrate on."

With that approach, "we can offer specialties on a daily basis to offer fresher ingredients and better price-value," he says.

He explains that properties are encouraged to buy local ingredients at the height of their season, when the supplies offer the dual advantages of being fresh and lower in price.

Many Radisson properties have lowered their food costs by four or five percentage points because the chain has entered into national purchasing contracts, according to food-and-beverage director Clawson.

"We have contracted for our anticipated annual use of products," he says.

*(See **HOTELS**, page 120)*

> "Our two biggest enemies are food and labor costs. You can't raise prices, you just can't. So you have to look at cutting costs."
>
> — Janos Kiss, Hyatt Hotels' exec chef and assistant vice president of F&B

HOTEL CHAINS RANKED BY NUMBER OF U.S. HOTELS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	Holiday Inns	Dec. '91	1,578	1,578	1,582
2	2	Ramada Inn	Dec. '91	600	508	498
3	3	Marriott Hotels & Resorts	Dec. '91	404	380	330
4	4	Sheraton Hotels	Dec. '91	290	281	264
5	5	Hilton Hotels	Dec. '91	268	259	251
6	6	Radisson Hotels	Dec. '91	170	154	142
7	7	Hyatt Hotels	Jan. '92	106	108	101
8	8	Westin Hotels	Dec. '91	34	33	34
		TOTAL:		3,450	3,301	3,202

*Projected

Source: NRN Research

HOTEL CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of hotel chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	Marriott Hotels & Resorts	Dec. '91	23.26%	23.68%	23.83%
2	2	Sheraton Hotels	Dec. '91	20.48	20.37	19.47
3	3	Hilton Hotels	Dec. '91	18.46	18.32	18.13
4	4	Holiday Inns	Dec. '91	10.76	11.18	11.80
5	5	Hyatt Hotels	Jan. '92	7.38	7.44	7.55
6	6	Radisson Hotels	Dec. '91	7.24	6.82	5.99
7	7	Ramada Inn	Dec. '91	6.91	6.53	7.07
8	8	Westin Hotels	Dec. '91	5.51	5.67	6.15
		TOTAL:		100.00%	100.00%	100.00%

*Projected

Source: NRN Research

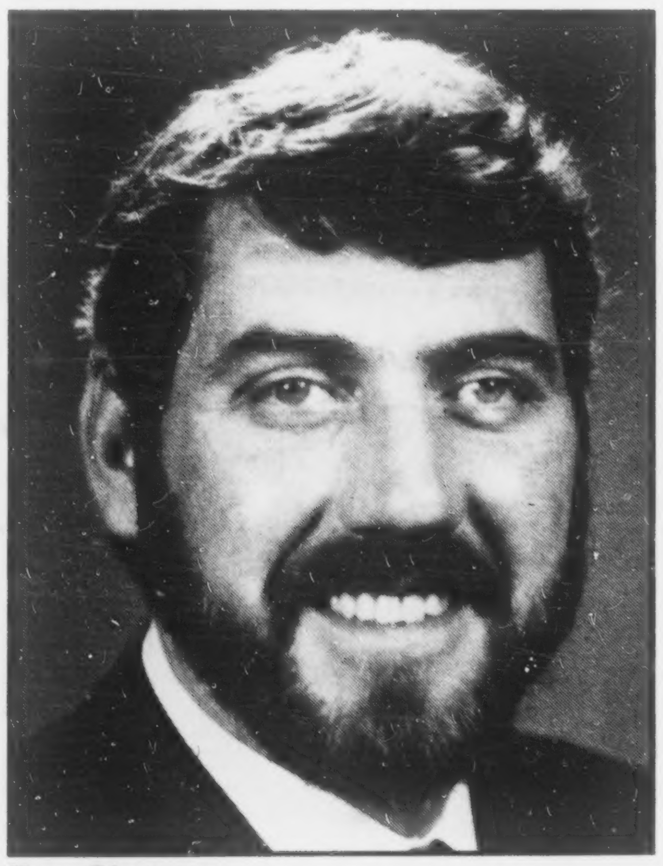
Hotels slash spending to beat traffic slump

(Continued from page 116)

The company plans to realize significant additional savings by purchasing *sous-vide* foods — specialties that have been cooked in a vacuum-sealed bag and then chilled or frozen. Edibles preserved that way can be used days or even weeks after being cooked without an appreciable loss of flavor or freshness, according to advocates of the process.

By using the prepared items, Radisson hopes to reduce labor costs. A kitchen staffer prepares a *sous vide* meal simply by reheating the contents of the pouch, usually in boiling water.

In addition, food waste is reduced because the food is apportioned before being sealed in the pouch. "You don't have one steak this thick and the next one this big," Clawson points out.



Don Clawson

"There are several things we're doing to increase our profitability, and *sous vide* is a key element," he adds.

Looking longer term, many of the lodging powerhouses are trying to ratchet down their food and labor costs by developing new hotel restaurant concepts.

Hyatt, for instance, is outfitting hotels with combination Italian-Oriental dining rooms called either Ciao Mein or Chow Bella.

"We use an Italian menu on one side and an Oriental menu on the other," executive chef Kiss explains. "The Italian menu is very basic. The Oriental menu has more things than just Chinese food."

A changeover to the new concept is not expensive, Kiss explains. "We change the menus and the uniforms, but we don't have to make major design changes."

One advantage is a lower food cost than the one generated by the chain's more upscale signature restaurants.

Hyatt is outfitting hotels with combination Italian-Oriental dining rooms.

"Look at Italian food. It's not very expensive," Kiss says. "Look at Oriental food. It's not very expensive."

Yet "the check average is staying the same because people are ordering more," he says. "Four people will order five entrées. Or they'll order more appetizers. And people like it because they get more for their money."

At Radisson, "we're developing three new concepts," Clawson notes. "One is a pure health and nutrition concept, one is a health and nutrition concept delivered via *sous vide* and one is an American bistro that uses *sous vide*."

The chain's new healthful dishes were developed in cooperation with the Culinary Institute of America, the renowned school in Hyde Park, N.Y.

"We set up a data base with them to analyze the nutritional value of recipes in 17 ways," Clawson explains. "You can change one ingredient in the recipe, and the program will actually adjust the rest of the recipe."

When the new healthful items were added at the restaurant in the Radisson hotel in St. Paul, Minn., "we had a 17-percent gain in covers because of the program," Clawson says.

At Marriott, "we're fairly along in the development of a new concept," Hulbert states. He declined to divulge details but commented that "the key is to give our restaurants more of a personality.

"Our restaurants need to be more interactive, more informal and casual," he says.

Hulbert adds that future Marriott hotels probably "will have fewer foodservice outlets, but the outlets will be more elaborate."

He anticipates an abatement this summer of the sales slowdown that hurt hotel foodservice operations during the first part of 1991.

"People are starting to travel again," he points out. "Banquet and catering inquiries have increased by about 20 percent. We're seeing a lot of short-term bookings. People are apparently figuring that the worst is over, and they're starting to spend again for parties."

Coopers & Lybrands' Patterson agrees that hotel foodservice executives have put the worst times behind them.

"It's been about as dire as it's going to get," he says. "Things won't get any worse."

But he is less than sanguine in his near-term projections. "As we get into the summer, we're going to see some recovery — but only to the levels of a year ago. We're going to see several years of gradual improvement and probably in 1994 the beginning of a significant improvement."

When the new healthful items were added at the restaurant in the St. Paul, Minn., Radisson hotel, "we had a 17-percent gain in covers because of the program."

— Don Clawson,
vie president of F&B
for Radisson Hotels.

Chicken chains leap out of the frying pan

Operators appeal to health-conscious consumers with broiled, grilled and skinless chicken items while diversifying menus with non-chicken products

by Peter O. Keegan

As nutrition-conscious consumers look for value, new tastes and alternatives to fried chicken, the top hen houses in the segment are busy rolling out non-fried products and expanding their menu bases to tap the public's "healthy" perception of the almighty bird.

Aiming to lure new customers while enticing current patrons to increase their frequency, chains are rolling new products like oven-roasted chicken, pasta, seafood, chicken sandwiches, tacos, burritos and breakfast items.

"The majors are getting away from the image of purely fried chicken," says Ron Paul, president of Technomic Inc., a Chicago-based consulting firm. "They don't have to be healthy; they just have to appear healthier." Paul says skinless is a trendy product area, and chains are also exploring higher spicing levels and delivery.

CHICKEN CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current*	Last Full	Prior
1	1	KFC	Dec. '91	$3,450.0	$3,200.0	$3,000.0
2	2	Popeye's Chicken	Oct. '91	536.0	520.0	510.0
3	3	Church's Fried Chicken	Oct. '91	439.0	461.0	466.0
4	4	Chick-fil-A	Dec. '91	334.0	293.7	263.8
		TOTAL:		$4,759.0	$4,474.7	$4,239.8

*Projected

Source: NRN Research

Fried chicken may never become obsolete, but chains that got their start selling the All-American favorite are moving away from its down-home image and jumping on new items and tastes to capitalize on its popularity and versatility.

According to Re-Count, a Chicago-based restaurant consulting group, the number of chicken-chain units actually fell 2 percent this year, to 10,149, partly owing to closings of Church's, KFC and Grandy's units.

But up-and-coming and revitalized chains are beginning to step up the competition, with chains like Cajun Joe's, Boston Chicken, Pudgie's, Sisters, Koo Koo Roo and Golden Fried Chicken vying to take market share away from the big birds.

Pressure from the young chains, compounded by discounting and competition from the sandwich chains, is forcing chicken operators to take a hard look at the future as they devise new strategies.

"If they move away from fried products, then they must do something to move the spice profile up," Paul continues. "Sauces and spicing will become more important, as will variety." He adds that the segment could benefit from more delivery, since chicken holds well and whole families with varying tastes can be accommodated because of increased menu diversity.

Competition is coming from outside, as well as inside, the segment. Taco Bell recently introduced chicken-based products, and Hardee's has become a chicken source, introducing Roy Rogers-brand chicken to 4,700 Hardee's units.

McDonald's recently rolled out a chicken fajitas item and began testing broiled, skinless, bone-in chicken.

In addition, most of the nation's burger and sandwich chains serve various chicken sandwiches.

Conventional wisdom holds that chicken is healthful, but frying is not. That was the reasoning behind Kentucky Fried Chicken's shortening of its name to KFC, a move that may broaden the chain's consumer appeal. Yet the bulk of KFC's products are still fried.

However, KFC is busy refining Monterey Broil, its broiled bone-in chicken product, and the Monterey Broil sandwich. The introduction of Skinfree Crispy has boosted KFC units' sales 5 percent to 8 percent, but franchisees are looking to switch to a non-frozen product to decrease overhead.

KFC is studying new modes of distribution, such as "all-in-one" units that merge its format with those of sister chains Taco Bell and Pizza Hut. Pepsico's chicken concept is also examining portable buildings, catering and delivery.

In addition to attracting new customers with Skinfree Crispy, Honey BBQ wings and the Variety Bucket promotion, KFC is testing a line of sandwiches, the Colonel's Country breakfast and a value-pricing promotion, which prices pieces at 59 cents and 69 cents.

Meanwhile, the turmoil continues at Popeyes and Church's, which was forced to seek Chapter 11 bankruptcy protection after owner Al Copeland was unable to pay off loans from the buyout of Church's. Many other chicken chains voiced appreciation for the "breather" from the competition, especially from Church's, as discounting wars heat up in Texas and other parts of the South.

Popeyes, too, has introduced skinless chicken, as well as fruit salad, and has been increasing its rollout of fish items, such as fried shrimp. The chain has also been promoting its double-lane drive-thru, which debuted at this year's National Restaurant Association Show.

With the end of a 120-day Chapter 11 grace period fast approaching, the battle between Copeland and Merrill Lynch — an investment bank that may eventually take control of Al Copeland Enterprises — may soon be over. In any event, sources close to the situation say Popeyes and Church's will eventually be split up.

Meanwhile, chicken chains outside the Top 100 are spreading their wings and seeking roosts among the segment's big birds.

Brown's Chicken of Lombard, Ill., is totally revamping its focus and has changed its name to Brown's Chicken & Pasta. "We wanted to be multifaceted," remarks James Rohr, the chain's advertising director. "And we see a tremendous opportunity in the growth in pasta and Italian foods."

Kentucky Fried Chicken
EXPRESS
EXPRESS
CHICKEN SANDWICH
KFC ZINGER
KFC

KFC is one of many chains that have rolled new, more healthful menu items.

Brown's serves four kinds of pasta and will be testing new varieties as specials in the fall — when the concept revision is complete. Was it tough to convert to a format based half on chicken and half on pasta? "Not really," Rohr explains. "We found out that in addition to the chicken cooker boiling oil, it can boil water, too, for the pasta."

Grandy's, the 184-unit operation out of Lewisville, Texas, boasts one of the highest per-store sales averages in the segment, with the typical Grandy's annually grossing more than $950,000. The chain's newest product is chicken-fried chicken, which is similar to country-fried steak, one of the chain's most popular offerings.

"Grilled chicken is one of our goals for the future," points out Jami Palla, a spokesman for the chain, adding that its Southwestern-style grilled chicken has boosted sales an average of 8 percent since its introduction. The dish is a boneless, grilled, marinated breast with a spicy Southwestern marinade, served over seasoned rice. "There has been very little resistance to the spiciness," Palla notes.

Approximately one year after his investment group bought the ailing Bojangles' chain from Horn & Hardart, president Dick Campbell says the chain is rebounding. "At the 28 company-owned restaurants, we are over the $1 million mark in per-store sales," he notes. "But there are a lot of facility issues that still have to be tackled."

On the new-product front, Bojangles' has introduced a line of seven biscuit breakfast sandwiches, all priced at 98 cents. Campbell says the chain, which changed to a totally skinless product in the spring, is testing a roasted chicken item and a pork barbecue sandwich.

The chain recently introduced the "Ragin' Cajun," a blackened grilled fillet breast sandwich that has boosted sales. Yet Campbell is careful not to overdo it. "New products complicate operations to a point, [so] we are going back to basics and staying committed to offering value."

At Lee's Famous, a division of Shoney's Inc., the management intends to boost sales through a stronger catering service. "It's an additional source of revenue, and we'll be concentrating on it in the future," says spokesman Tom Wilson. "We're looking to increase awareness of the product through marketing and advertising," he says, naming churches, civic groups, summer picnics and family reunions as the chain's principal targets.

Conventional wisdom holds that chicken is healthful, but frying is not. That was the reasoning behind Kentucky Fried Chicken's shortening of its name to KFC, a move that may broaden the chain's consumer appeal.

(See CHICKEN, page 128)

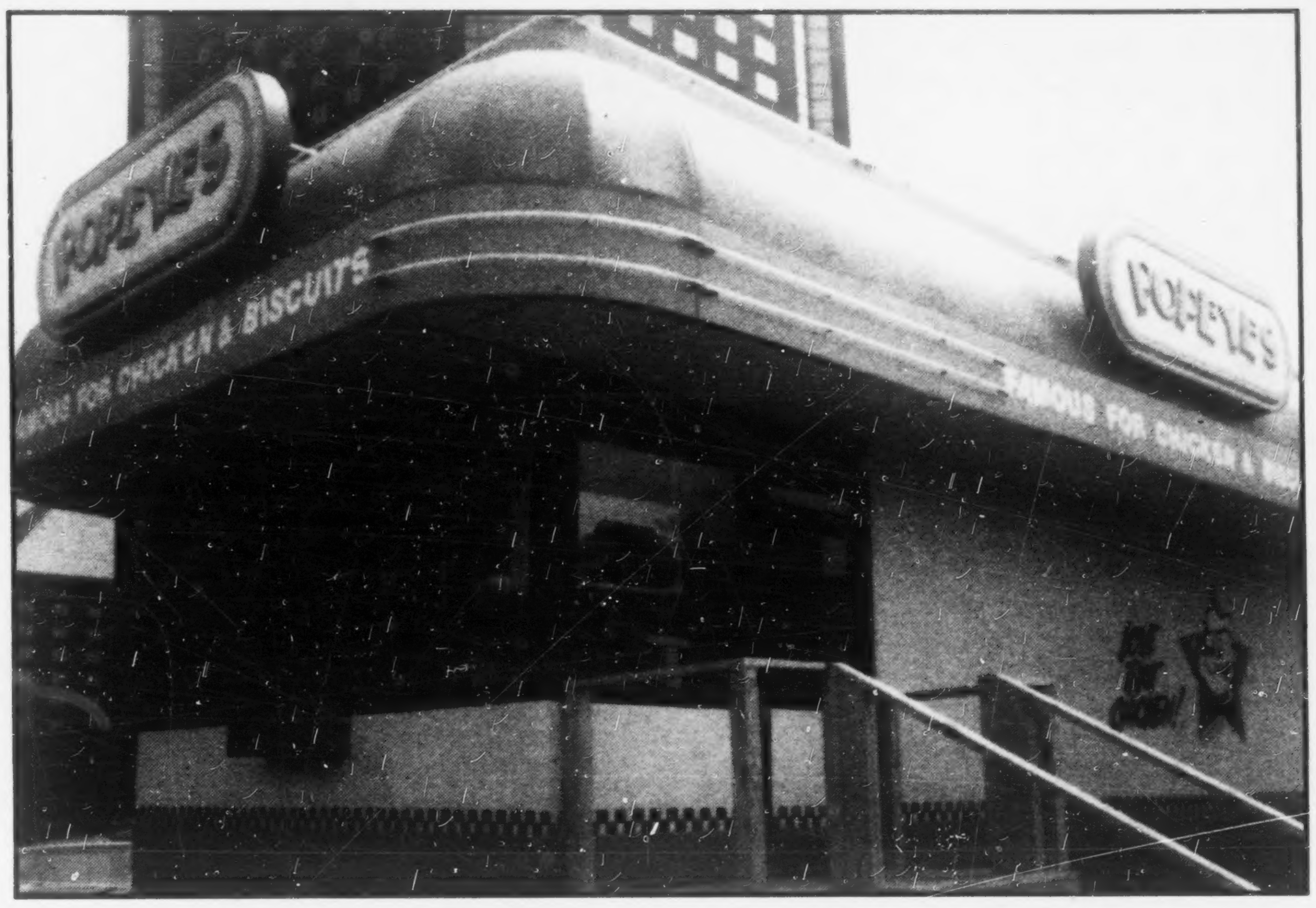
CHICKEN CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, In Thousands) Current*	Last Full	Prior
1	1	KFC	Dec. '91	$750.9	$729.0	$689.0
2	2	Popeye's Chicken	Oct. '91	720.0	714.7	710.0
3	3	Chick-fil-A	Dec. '91	710.0	681.0	661.0
4	4	Church's Fried Chicken	Oct. '91	425.0	420.0	415.0
		AVERAGE:		$651.5	$636.2	$618.8

*Projected

Source: NRN Research

Loco
Home-Office
& Parties



Above: El Pollo Loco is reaching out to the customer with home-delivery service. Right: Despite its financial woes, Popeyes has found favorable results with double-drive-thru units and the rollout of new menu selections.

Chicken chains leap out of the frying pan, into the grill

(Continued from page 124)

Mrs. Winner's has jumped on the skin-free bandwagon by going totally skinless, like Bojangles'. In addition, Mrs. Winner's has introduced a line of grilled chicken breast sandwiches, including a barbecued version, a grilled chicken club and a "deluxe" grilled item with lettuce and tomato.

"From 'light' menus to lean cuisine, [grilling] is almost as expected as seat belts nowadays," explains John Gray, marketing vice president for Mrs. Winner's. He adds that the company is testing an oven-roasted, bone-in product that is seasoned with a special "dry rub" and sold as quarter or half-birds, not in pieces.

An El Pollo Loco franchisee in Las Vegas has been offering delivery for more than a year and the service now contributes as much as 35 percent of total sales.

New points of distribution are another way to boost the evening day part for chicken chains as many continue to test delivery.

An El Pollo Loco franchisee in Las Vegas has been offering delivery for more than a year, and the service now contributes as much as 35 percent of the restaurant's total sales. El Pollo Loco, which is a subsidiary of TW Services, recently rolled out a $1.89 burrito and a 99-cent soft taco — each containing the concept's signature flame-broiled chicken — in the chain's first offering of typical Mexican items.

El Pollo Loco said its declines in per-store sales were a result of increased competition, unprecedented levels of discounting and the opening of new units in less developed markets.

Chick-fil-A, still capitalizing on its image as a health-oriented chicken concept, is continuing an expansion push from its base in malls to freestanding sites, of which 23 had been erected by the end of last year. The 465-unit chain, whose main fare is boneless chicken breast sandwiches, last year expanded its menu by launching a char-grilled version of the product as well as freshly squeezed diet lemonade and a New York-style cheesecake.

CHICKEN CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current*	Last Full	Prior
1	1	KFC	Dec. '91	5,010	5,006	4,937
2	2	Church's Fried Chicken	Oct. '91	1,042	1,059	1,111
3	3	Popeye's Chicken	Oct. '91	805	778	739
4	4	Chick-fil-A	Dec. '91	465	441	411
		TOTAL:		7,322	7,284	7,198

*Projected

Source: NRN Research

CHICKEN CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of chicken chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share Current*	Last Full	Prior
1	1	KFC	Dec. '91	72.49%	71.51%	70.76%
2	2	Popeye's Chicken	Oct. '91	11.26	11.62	12.03
3	3	Church's Fried Chicken	Oct. '91	9.22	10.30	10.99
4	4	Chick-fil-A	Dec. '91	7.02	6.56	6.22
		TOTAL:		100.00%	100.00%	100.00%

*Projected

Source: NRN Research

STEAK CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions)		
				Current*	Last Full	Prior
1	1	Sizzler	Apr. '92	$ 920.8	$ 893.0	$ 861.0
2	2	Ponderosa	Feb. '92	771.1	736.3	694.2
3	4	Golden Corral	Dec. '91	454.7	438.6	464.8
4	3	Bonanza	Feb. '92	451.3	471.8	479.4
5	5	Western Sizzlin'	Dec. '91	402.5	422.8	472.1
6	6	Ryan's Family Steak House	Dec. '91	380.0	343.0	295.0
7	7	Quincy's	Dec. '91	289.0	281.5	263.3
		TOTAL:		$3,669.4	$3,587.0	$3,529.8

*Projected
Source: NRN Research

STEAK CHAINS RANKED BY SALES PER UNIT

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands)		
				Current*	Last Full	Prior
1	1	Ryan's Family Steak House	Dec. '91	$2,300.0	$2,300.0	$2,270.0
2	2	Sizzler	Apr. '92	1,600.0	1,600.0	1,600.0
3	3	Quincy's	Dec. '91	1,300.0	1,300.0	1,200.0
4	6	Golden Corral	Dec. '91	1,052.0	947.0	943.0
5	4	Ponderosa	Feb. '92	995.0	995.0	986.1
6	5	Western Sizzlin'	Dec. '91	970.0	950.0	918.5
7	7	Bonanza	Feb. '92	950.0	940.0	940.0
		AVERAGE:		$1,309.6	$1,290.3	$1,265.4

*Projected
Source: NRN Research

STEAK CHAINS RANKED BY NUMBER OF U.S. UNITS

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Year-end Number of Units		
				Current*	Last Full	Prior
1	1	Ponderosa	Feb. '92	775	740	704
2	2	Sizzler	Apr. '92	648	631	628
3	3	Bonanza	Feb. '92	475	502	510
4	4	Golden Corral	Dec. '91	450	445	501
5	5	Western Sizzlin'	Dec. '91	415	445	514
6	6	Quincy's	Dec. '91	219	212	213
7	7	Ryan's Family Steak House	Dec. '91	175	159	141
		TOTAL:		3,157	3,134	3,211

*Projected
Source: NRN Research

STEAK CHAINS RANKED BY TOP 100 MARKET SHARE

(share of aggregate sales of steak chains in Top 100)

1991 Rank	1990 Rank	Chain	Fiscal Year Ends	Annual Market Share		
				Current*	Last Full	Prior
1	1	Sizzler	Apr. '92	25.09%	24.90%	24.39%
2	2	Ponderosa	Feb. '92	21.01	20.53	19.67
3	4	Golden Corral	Dec. '91	12.39	12.23	13.17
4	3	Bonanza	Feb. '92	12.30	13.15	13.58
5	5	Western Sizzlin'	Dec. '91	10.97	11.79	13.37
6	6	Ryan's Family Steak House	Dec. '91	10.36	9.56	8.36
7	7	Quincy's	Dec. '91	7.88	7.85	7.46
		TOTAL:		100.00%	100.00%	100.00%

*Projected
Source: NRN Research

Steak houses evolve into 'family dining'

By diversifying menus with breakfast, brunch and bakery plans, budget-chain operators move further away from the traditional boundaries of this segment

by Jack Hayes

Slapped in the pocketbook by aggressive competitors, value-conscious customers and an uncertain ecomony, the nation's budget-steak-house operators are taking another step away from their dated blue-collar beef-house image as they launch into serious tests of bakery products, weekend breakfast and Sunday brunch.

Following years of experiments with sandwich-based lunch promos, salad bars and self-service buffets, the recently ordered breakfast and bakery attack is seen as a strategic move by budget-steak operators who are knocking heads more and more with traditional family restaurant players like Shoney's and Morrison's.

In fact, the bakery and breakfast expansion is seen as the final evolution of the budget-steak segment into what industry leaders now refer to as "budget family dining."

"We don't consider ourselves a budget steak house," explains Michael Minchin, executive vice president of 648-unit Sizzler International Inc. He says his Los Angeles-based chain just concluded a thorough brunch and breakfast test.

"We are looking at Sunday brunch," adds Minchin, who notes that there are no plans to offer breakfast as yet at the Sizzler Steak Seafood Salad units.

Paralleling Sizzler's trial move, bakery and breakfast tests are under way at five of the other seven leading budget chains: 168-unit Ryan's Family Steak Houses, 219-unit Quincy's, 144-unit Western Steer, 350-unit Golden Corral and 475-unit Bonanza.

The 775-unit Ponderosa chain, a sister of Bonanza and part of the Dayton, Ohio-based Metromedia Steakhouses Inc. group, dabbled in breakfast two years ago but was not satisfied with the results.

And Dallas-based Western Sizzlin, with 415 units, is also holding off on breakfast test efforts for the present time.

But most of the operators that are taking the breakfast-bakery plunge are saying they wish they had thought of doing so sooner.

"The performance of our new bakeries is far exceeding expectations," observes Bill Rosen, operations vice president for Family Steak Houses of Florida Inc., which franchises 27 Ryan's units across that state. "We've opened nine bakery units already, and the other 18 will be in by the end of September."

And the Ryan's franchisee feels its recent croissant rollout paves the way for another logical move — into breakfast.

"We'll soon be testing an all-you-an-eat breakfast buffet," Rosen says. "The bakery is a natural takeoff." Furthermore, Rosen notes that Ryan's has been so impressed with its franchisee's bakery test that it plans to open bakeries in the company-owned stores.

Typical bakery items include yeast rolls, biscuits, croissants, muffins, cookies and chocolate brownies. Garlic breadsticks, similar to those served at The Olive Garden, have just been introduced.

Quincy's, owned by Spartanburg, S.C.-based TW Services Inc., is seeing gains from its experiments with weekend breakfast and fresh bakery products — both of which are in response to sluggish dinner counts, says TW Services spokeswoman Karen Randall.

By the end of June Quincy's completed its breakfast bar rollout chainwide and was testing takeout bakeries in 12 of its newer restaurants, Randall says.

The 450-unit Golden Corral chain, based in Raleigh, N.C., is trying weekend breakfast as a test in 10 units and is closly watching its year-old bakery tryout as well, according to marketing vice president Rod Downey.

"It's a structured test," Downey explains, declining to elaborate further.

Meanwhile, a spot phone survey in the Southeast found that breakfast is also being served at certain restaurants in the 144-unit Western Steer system and at a few stores in the 475-unit Bonanza Family Restaurants chain.

(See STEAK, page 138)

Sizzler
zzle

A Sizzler steak-house unit.

SUPPLIER NEWS

Getting to know you . . .

Chef John Kartje, left, of the Bismark Hotel in Chicago, chats with Quaker Oats representatives Patty Thomas, left, Paul Baron and Ralph Barentine. Kartje was one of the honorees of the Quaker Oats Company's first annual Customer Appreciation Day. The purpose of the program is to provide an exchange of ideas as well as to recognize the accomplishments of operators in Chicago where Quaker is based.

Heinz inks $500 million deal to acquire Labatt's JL Foods

PITTSBURGH — The H.J. Heinz Co. said it had reached an agreement with John Labatt Ltd. of Canada to purchase its JL Foods subsidiary for $500 million.

A processor of a diversified line of frozen-food products, Eugene, Ore.-based JL Foods operates 11 manufacturing facilities in the United States and one each in England and Canada.

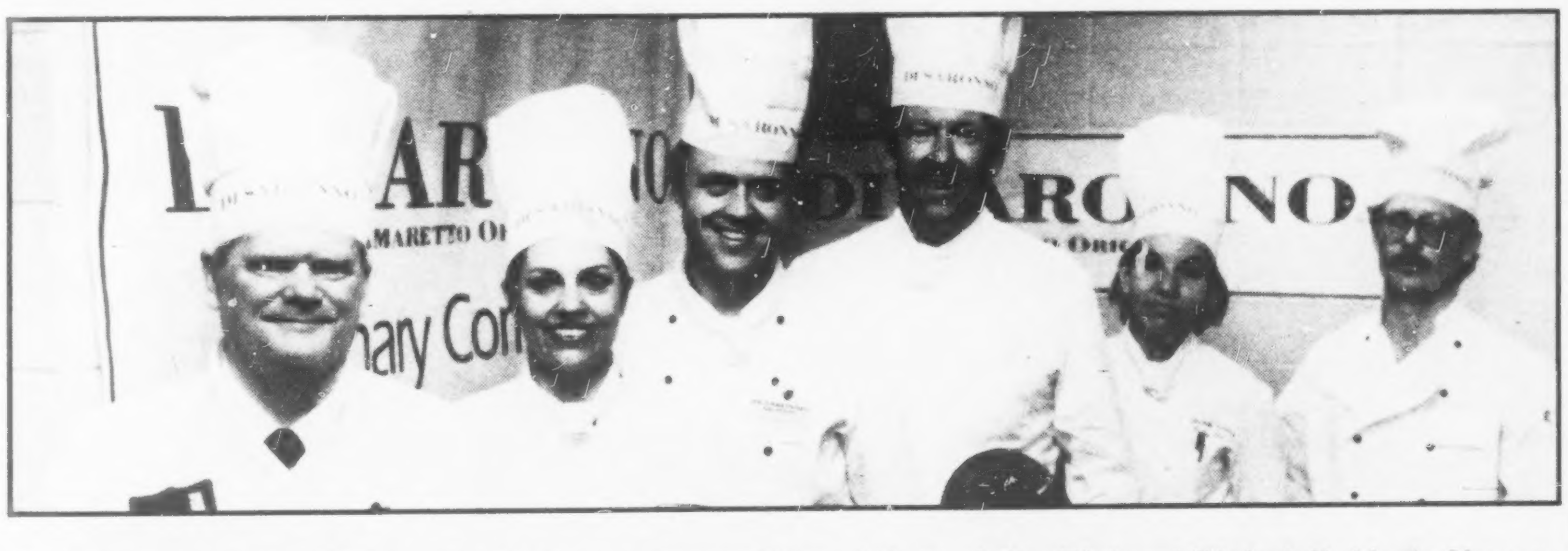
The company reported it had sales of $500 million last year.

In a prepared statement, Anthony J.F. O'Reilly, Heinz chirman, said, "The acquisition of JL Foods is the latest in a series of transactions that are part of a quiet restructuring of Heinz's worldwide portfolio of businesses to take advantage of changing market developments."

JL Foods, under its present umbrella, has six major subsidiaries: Chef Francisco, Oregon Farms, Delicious Foods, Crestar Foods, Omstead Foods Ltd. and Halls European Foods.

JL Foods' frozen products include soups, pastas, fish, sweet potatoes, pizzas, bagels, fish and coated vegetables.

Heinz said the purchase would make it one of North America's largest suppliers of processed products to the restaurant and foodservice industry.



The finalists in the DiSaronno Culinary Competition, left to right: Richard Blaisdell, Linda Young Hierholzer, Victor Gielisse, winner Harmut Handke, ELizabeth Feinberg and Scott Erwin.

Handke wins Italian fare contest

NEW YORK — Harmut Handke, former executive chef at the Greenbrier Hotel in White Sulphur Springs, W.V., was named grand prize winner at the national finals of the DiSaronno Culinary Competition, an event sanctioned by the American Culinary Federation to recognize outstanding Italian cuisine.

Handke edged out five other finalists who fashioned original recipes before an ACF panel during the recent competition at Kendall College in Chicago. For his efforts Handke received the grand prize of $5,000.

The competition, open to all ACF executive chefs, invited entrants to submit Italian recipes for an appetizer, an entrée and a dessert using DiSaronno Amaretto as an ingredient.

A graduate of the Culinary Institute of America, Handke won for his dishes of DiSaronno gravlax, lamb osso buco with DiSaronno dried fruit and nut ragout and DiSaronno gratin with passion fruit coulis and cinnamon walnut cookie.

Victor Gielisse, co-owner and chef at Actuelle in Dallas, was named runner-up. Gielisse was awarded the second-place prize of $1,500.

In addition to Handke and Gielisse, the four other finalists included Scott Erwin, executive chef of the Morris Park Country Club in South Bend, Ind.; Elizabeth Feinberg, pastry chef of Los Abrigados Resort, Sedona Ariz.; and Richard Blaisdell and Linda Young Hierholzer, both culinary arts instructors at Seattle Central Community College in Seattle.

SUPPLIER DIGEST

Oates named new prexy at Garland

FREELAND, Pa. — Garland Commercial Industries Inc., a manufacturer of commercial cooking equipment, has named Gordon F. Oates Jr. company president.

A former marketing executive for IBM, Oates most recently served as executive vice president for the Vulcan-Hart Corp.

Quincy Soybean, C & T in joint venture

RICHMOND, Va. — Quincy Soybean Co. and C & T Refinery Inc. have reached a joint-venture agreement that would entail co-marketing their respective vegetable oil products at both company's existing facilities and building a third refinery at an undetermined site in the Midwest.

The venture's operations management will be centered at the three plant locations, while the marketing division will be based in Richmond, Va. Upon completion of the third refinery, the joint venture will be producing industrial and foodservice vegetable oils.

Delimex execs buy soccer team

SAN DIEGO — Oscar Ancira Sr. and Oscar Ancira Jr., the chairman and president, respectively, of Delimex, a processor of frozen Mexican foods, have formed an investor group and purchased the Sockers — San Diego's entry to the indoor professional soccer league.

The younger Ancira will assume the role of the franchise's managing general partner, while continuing in his capacity as president of Delimex.

Domino's to retail party products

ANN ARBOR, Mich. — Domino's Distribution, the equipment and food distribution arm of the second-largest pizza chain, will begin selling paperware party products in supermarkets and drugstores.

Invitations, paper cups, paper plates, napkins, trays and party favors are among the goods to be offered.

Jero to expand sales network

TULSA, Okla. — Jero Manufacturing, a manufacturer of self-leveling dispensers and cook-and-hold cabinets for the foodservice industry, has broadened its domestic sales network with the addition of six representative firms.

The new sales firms are the Barriger Marketing Group of Englewood, Colo.; Ohio Valley Marketing of Cincinnati; Voeller & Associates of Bellevue Wash.; Ralph Johnson & Associates, Oakland, Calif.; Robert Emig & Associates of Williamsville, N.Y.; and Jim Miles & Associates of Hockessin, Del.

Sea Watch taps Burns as chief executive

EASTON, Md. — Sea Watch International Ltd., a processor of clams and specialty seafood products, has named Michael J. Burns president and chief executive.

Burns, 48, succeeds William J. Shields Jr., who recently retired. A former captain in the United States Marine Corp, Burns had previously served as Sea Watch chief executive before its 1988 acquisition by Nichirei Foods — Japan's largest frozen-food manufacturer.

Two win Alaska trip in seafood contest

JUNEAU, Alaska — As a result of scoring the most points in the Alaska Seafood Marketing Institute's "Far and Away the Finest" seafood promotion, two operators were awarded all-expenses paid trips to the state's famous Waterfall Resort.

Kelly McClean and Mark Johns of the Cattle Co. of Billings, Mont., featured an Alaska seafood fish-of-the-day special for 77 consecutive days.

Howie and Denise Ebenhoeh of Chesaning Heritage House in Chesaning, Mich., ran a 12-week promotion, which included nine Alaskan seafood mentions in the daily specials and a direct-mail piece sent to more than 23,000 people.

Restaurateurs scored points in the contest by using ads, mailers, menu clip-ons and blackboard specials for all species of Alaskan seafood.

Downes named Riester-Davis winner

DEVON, Pa. — Professor Theron Downes of Michigan State University's School of Packaging has been named the 1991 winner of the Institute of Food Technologists' Food Packaging Division Riester-Davis Award.

The annual award recognizes a food packaging professional's lifetime achievement in the field.

Red Lobster lands frozen-food award

HARRISBURG, Pa. — The National Frozen Food Association and the American Frozen Food Institute of McLean, Va., have named the Red Lobster chain the 1991 foodservice innovator of the year.

The 500-unit seafood chain was cited for its creative use and presentation of frozen-fish products. The award will be presented at the National Frozen Food Convention and Exposition, Oct. 6-9 in Orlando.

Dinner-house operators thumb noses at recession

(Continued from page 112)

"Because we have to raise our prices on certain beverages, more consumers will adopt the attitude of 'Let's just drink at home,'" predicts Fred Hipp, president of Kansas City-based Gilbert/Robinson Inc., the parent company of Houlihan's.

As well positioned as dinner houses seem to be, the chains face their share of challenges.

"These are very expensive operations to run," Technomics' Kruse observes. "It is vital to increase productivity at the unit level so you can maintain profitability in the face of these [current] economic challenges."

> Friday's is aggressively merchandising non-alcoholic beverages and striving to attract families with children.

What's more, Kruse says, rapidly growing chains like Olive Garden, Chili's and Applebee's and the emergence of strong regional contenders mean the "competitive environment is heating up."

"I'm not sure all of these [dinner-house] guys are immune [to competition from] operations like Perkins [Family Restaurants] or Marie Callender's [Pie Shops]," Kruse explains, citing the in-unit bakeries and lower price points of those broad-menu family concepts. "In some cases there will be competitive pressure from below."

According to Millie Lemajich of Restaurant Consulting Group of Evanston, Ill., intensifying competition has influenced the expansion plans of some operators.

The strategy of Bennigan's executives seems to be to "increase sales by diversifying the menu; they haven't been adding [net] units," Lemajich says. "There are a lot of competitive threats, so they are trying to do a better job with what they have."

Looking for middle ground somewhere between stagnation and skyrocketing growth are established chains such T.G.I. Friday's and Tony Roma's — A Place for Ribs, both of Dallas.

"My perception is that Friday's has shifted the emphasis of the operation off the bar and onto the restaurant," Kruse says. "The broad menu clearly does a good job of addressing eating trends: There are 'healthy' foods, ethnic foods, hand-held foods and comfort foods."

Friday's is also aggressively merchandising non-alcoholic beverages and striving to attract families with children, she notes. "They [the chain's managers] are in touch with the 'hot buttons' of their customer base."

> "It's the workhorse of the future"
>
> — Ronald McDougall, Chili's president, in reference to TV advertising.

Those smaller dinner-house chains and capital-strapped giants alike that must go head-to-head with Olive Garden, Red Lobster and Chili's can expect to see a further widening of the media gap.

"It's the workhorse of the future," Chili's president, Ronald McDougall, says of television advertising, which claims more than a 95-percent share of the chain's advertising budget.

"We are primarily a television advertiser; it accounts for by far the majority of our advertising spending," reports Charles Tate, Olive Garden's vice president of consumer and community affairs.

The optimism resulting from the dinner-house segment's positioning for future growth appears to be helping some, if not most, of its participants cope with the challenges.

"My gut feeling is that they are not scrambling as much as the other guys," Restaurant Consulting Group's Lemajich said of dinner-house operators. "When you go into a McDonald's, you see so many [point-of-purchase merchandising materials] for 'light' foods, Mexican foods, whatever," she adds, "that you don't know what [McDonald's] represents any more. There doesn't seem to be that much nervousness in the dinner houses."

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Pizza chains hauled into discounting fray

(Continued from page 98)

In terms of growth, while Sbarro is conducting some modest experimentation with freestanding stores in suburban locations, it shows every indication that it will continue to pursue its food court and mall-based strategy.

Godfather's in Omaha, Nebraska, expanded sales at about an 8-percent-to-10-percent rate last year and anticipates maintaining that rate throughout the remainder of this fiscal year, according to Steve Frisbie, manager of public relations.

"While we have some things in the works, we're concentrating on perfecting what we do," Frisbie explains. "We're filling in areas where we already operate."

The company's strategy calls for battling the competition on a market-by-market basis. Competition, observes Frisbee, continues at "a very high level. There won't be any major deviations from our previous tactics. Couponing will still factor as a major vehicle for us. We'll also continue to feature the Godfather character in our advertising."

> Godfather's strategy calls for battling the competition on a market-by-market basis.

Round Table Pizza — the wholly franchised pizza chain based in San Francisco — has been building business through the addition of delivery. Begun about four years ago, approximately three-quarters of the chain's full-service restaurants have been retrofitted to handle delivery.

One reason for the push into delivery, according to president Jim Fletcher, is the rapid incursion into Round Table's markets by Pizza Hut. "They're probably the single strongest competitive threat we're facing," he says.

And since saturation "is giving people more choices, holding on to our customers has become a real issue," Fletcher continues. And like Godfather's, Round Table is battling back on a market-by-market basis. "We respond to every initiative, including discounting," he notes.

Commenting on the pervasive segmentwide discounting, however, Fletcher acknowledges that "once discounting grows to the level it has, it tends to dilute the points of difference among the players. Price becomes the No. 1 concern in the eyes of the consumer."

For the most part, however, Round Table is continuing to work with its franchisee population to educate them in techniques for building revenues and improving retail execution. "We were a full-service operation first, so we see the dine-in business as continuing to be one of our competitive advantages," Fletcher concludes.

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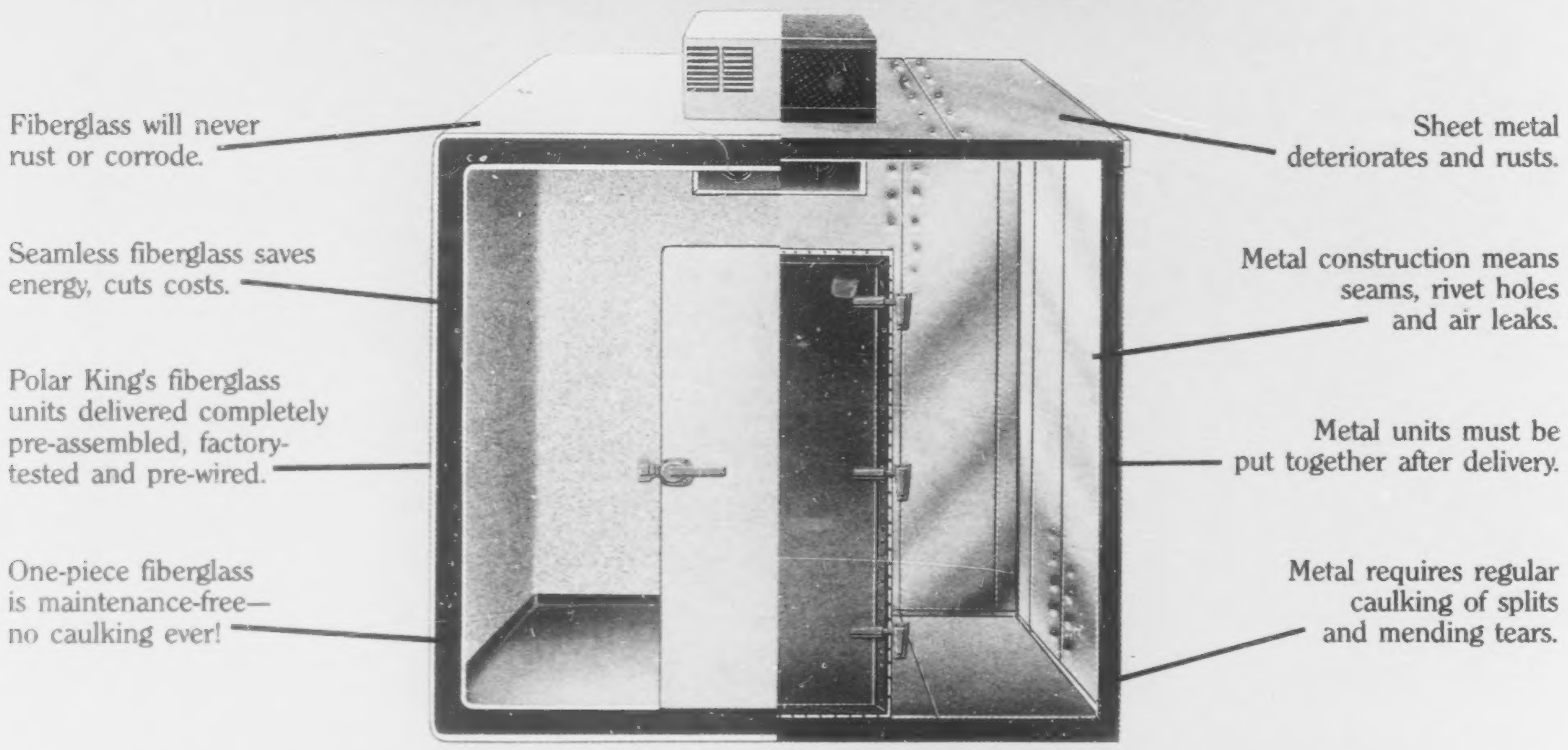
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NEWS

Michael Understein

Understein named VP at Applebee's

KANSAS CITY, Mo. — Michael Understein, director of company operations for Applebee's International, has been named vice president of company operations after two years with the company.

Formerly the owner of the Maine Lobster Feast restaurant in St. Louis, Understein joined the company from Damon's Restaurants in Hilton Head, S.C.

Understein will be responsible for the growth and profitability of the company's 25 restaurants, most of which test new equipment and food items before they are rolled out systemwide.

"We test all new food products, equipment and point-of-sales systems that will eventually be introduced into Applebee's franchise system," he said.

"Initial training of franchise management is also offered at these company-owned facilities," he added.

Top 100 growth stunted by tough economy

(Continued from page 1)

lion, the 5.9-percent increase from their 1990 total is significantly off from the 8.1-percent annual gain those outfits enjoyed a year ago.

The Top 100 census of foodservice's cash cows also reveals that nearly three-fourths of America's 100 biggest chains are expected to conclude the year unable to boost their average-unit sales at rates exceeding the prevailing uptick in menu-price inflation. The widespread potential for real declines is also evident in projections that the systemwide sales of about half the Top 100 chains will advance more slowly this year than the estimated 4.7-percent inflation figure, while nine of the chains are expected to sustain year-to-year dips in sales before adjusting for inflation.

Demonstrating that when economic times are tough, everyone bites the bullet, the Top 100's projected sales-growth rate this year is running not far ahead of the 5.2-percent rate the National Restaurant Association forecasts for the entire industry. Last year, before the recession had its full impact, the association pegged the industry's growth at a 6.2-percent rate, about two full points behind the Top 100's 1990 gain.

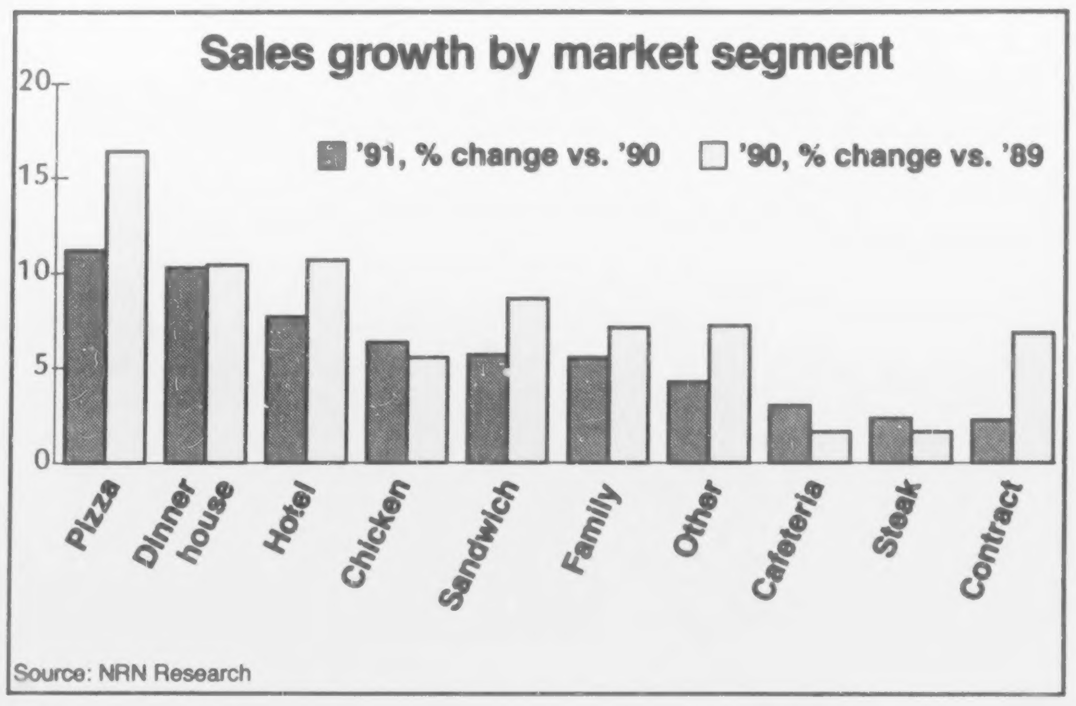
Among corporations, which are ranked in the study on the basis of domestic foodservice revenue, impressive numbers are projected for Pepsico Inc. and General Mills, the No. 1 and No. 5 highest-grossing firms, respectively. Making the most of those standings, PepsiCo — the parent-company of Pizza Hut, KFC and Taco Bell — also placed 11th out of 100 in revenue growth, while General Mills — owner of the Red Lobster and Olive Garden chains — was credited with the 17th-fastest rate of revenue growth this year.

Overall, foodservice revenues by the top 100 companies totaled $59.8 billion, a 6.1-percent gain over their total last year but down from the 8.7-percent rise a year earlier.

Apart from such companies as Kyotaru, whose revenue-ascent rate came more through acquisitions than through operations, the other standout corporate gainers this year include Buffets Inc., parent of the fast-growing Old Country Buffet chain, and the firms that own Cracker Barrel, Subway, Chili's and Little Caesars.

Those chains and the ones owned by PepsiCo and General Mills share common traits, insofar as they all have successfully exploited their customer-sensitive pricing attributes. "They are value-driven concepts, and that's where the action is," says Malcolm Knapp, president of the New York-based Malcolm M. Knapp Inc. research firm. "The consumer is still very nervous and feeling pinched."

"Value is selling this year," concurs Bob O'Brien of the Park Ridge, Ill.-based NPD CREST consulting firm. "But," he adds, "in the longer run, variety" is the tactic restaurant chains can be expected to adopt.



Source: NRN Research

"As we see the core, restaurant-using baby boom generation aging, they're moving from a simpler kind of repertoire in restaurant purchases to more variety," O'Brien explains. However, menu diversification by fast-food chains, he adds, has often backfired by confounding their ability to meet customers' speed-of-service expectations.

On the other hand, casual-theme dinner houses and other restaurants that offer some dining amenities are regarded as well positioned to deliver value and variety and are taking careful aim at the lunch-hour clienteles of dominant sandwich-segment players. "Fast food still owns the value-lunch business, so it's logical to pick it off," says Knapp, citing the varied slates of $3.99 lunches at Red Lobster and Sizzler as two examples of the threats that burger chains will continue to face.

The apparent blurring of traditional borders between major market categories — a trend revealed in the written analyses that accompany Top 100's intrasegment rankings — is also likely to complicate the industry's marketing battles. No longer able to focus principally on just their most direct rivals, chains of all stripes are being forced to reckon with such cross-over phenomena as McDonald's sales of burritos and pizza; Hardee's impending status as the industry's No. 2 fried-chicken source; budget-steak concepts' installations of in-store bakeries; KFC's explorations of catering and delivery; Domino's openings of sit-down restaurants; and Pizza Hut's development of an upscale, casual-theme prototype.

Although restaurateurs are having to step through new and unusual minefields of competition, some seasoned hands believe lower-cost expansion opportunities may increase as the recession weeds the industry of distracting novices and marginal operators.

"It's my view that over the next few years you'll see a higher percentage of converted seats come on stream than you will see new ones," says James A. Collins, chairman of Sizzler International. Collins, whose Sizzler system is converting Howard Johnson's units acquired from Marriott Corp., points out the example of failed eateries in overbuilt Florida markets that have recently been turned into Blockbuster Video stores. "And that's a good thing" for the restaurants still in operation there, Collins stresses.

Olive Garden, whose aggressive recycling of existing structures has fueled the chain's fast-track expansion and sales boom, is a prime example of the virtues of growth through conversion. Analysts say the knack for seizing a make-over opportunity is a skill other restaurant organizations will need to hone, especially as shopping-mall construction and other development taper off.

"There are good sites in prime locations that you can get only by taking them over from somebody else," says Knapp, outlining a credo that is certain to be heeded by those organizations intent on retaining and enhancing their Top 100 stature.

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